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Report

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NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1995

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Mr. Dellums, from the committee of conference, submitted the following
CONFERENCE REPORT
[To accompany S. 2182]

research and development, the conferees recommend \$11.3 million for the nonstockpile program and \$9.4 million for alternative technologies to the baseline program.

The conferees agree to authorize \$25.0 million appropriated for development of alternative technologies in the Department of Defense Appropriations Act for Fiscal Year 1994. Of this amount, \$4.3 million shall be available for completion of the cryofracture design and \$20.7 million shall be available for development of alternative technologies to the baseline program.

The Senate report (S. Rept. 103-282) recommended making \$2.0 million available from funds authorized for development of alternative technologies for programs to detect low-level exposure to chemical agents. The conferees endorse the Senate position and direct the Army to work with the national weapons laboratories on these programs.

In its report to Congress on alternative technologies to the baseline program, the NRC recommended that the Army continue to monitor developments in this area. The Army has notified the conferees of its plans to implement this recommendation by awarding a contract to monitor and evaluate various research activities in alternative technologies that have continued in development since the NRC report was published. The conferees direct the Army to report to the congressional defense committees on any emerging findings resulting from this contract and to pursue demonstration of promising alternatives to either the baseline process or to neutralization.

The conferees agree to the House provision that would prohibit transportation of a chemical munition that is part of the unitary stockpile in one state to another, and that would allow the transportation of nonstockpile chemical munitions that are discovered, or which come under the control of the Department of Defense, in one state to the nearest chemical munitions stockpile storage facility.

The conferees agree to amend section 1412(f) of Public Law 99-145 to require funds for military construction projects for the chemical agents and munitions destruction program to be included in the budget in separate defense accounts. Therefore, the conferees transfer the funds contained in the fiscal year 1995 Army budget request for the military construction of chemical agents and munitions destruction facilities to a separate defense-wide account.

Multiyear procurement authority for M1A2 tank upgrades (sec. 111)

The Senate bill contained a provision (sec. 111) that would authorize the multiyear procurement of M1A2 tank upgrades.

The House amendment contained no similar provision.

The House recesses.

The conferees agree that a multiyear procurement of M1A2 tank upgrades would benefit the Army. The conferees are concerned, however, about the Army's current proposal to reduce funding for the upgrade program substantially over the next several years, and the effect this reduction would have on the Army's ability to execute an appropriate multiyear procurement and maintain a viable industrial base. The conferees direct the Secretary of Defense to carefully review the Army's budget proposal for M1A2 tank upgrades.

Avenger (sec. 111)

The budget request included \$13.8 million for the Avenger program.

The Senate bill would authorize the requested amount for Avenger procurement.

The House amendment would deny the requested amount on the grounds that it is excess to program requirements.

The Department of Defense has recently requested authority to reprogram \$10.4 million in fiscal year 1994 Avenger funding. The conferees agree to reduce the fiscal year 1995 Avenger procurement request by \$8.4 million and to deny the reprogramming request.

The conferees learned that the Avenger multiyear procurement contract will expire in fiscal year 1995, before the Marine Corps and other services can take advantage of the Army's contract and favorable pricing terms. The conferees, therefore, agree to a provision that would grant a one-year extension of the Avenger multiyear procurement authority. The Army, as the contracting agency, may incorporate this extension into contract number DAAH01-92-C-0023.

The conferees agree to this request with the understanding that there will be no additional costs for extending the delivery schedule. The conferees note that DOD must request funds for 113 fire units in fiscal year 1996 to meet the terms of the multiyear procurement contract. The conferees point out that the fiscal year 1996 budget request must request funds either for these fire units or for contract termination costs.

Transfer of replacement Army tanks to Marine Corps Reserve (sec. 112)

The Senate bill would provide \$108.0 million more than the requested amount to fund an additional 24 M1A2 tank upgrades for the Army. The Senate bill also contained a provision (sec. 112) that would direct the Secretary of the Army to transfer, either simultaneously or in advance, one M1A2 common tank to the Marine Corps Reserve as each one of these additional M1A2 tanks is made available to the Army. The Senate intended this to be the first year of a two-year program to eliminate a shortfall of 48 tanks in the Marine Corps Reserve tank battalions.

The House amendment contained no similar provision and funding.

The House recesses.

Transfer of MIAI tanks to the Marine Corps (sec. 113)

The Senate bill included a provision (sec. 1066) that would require the Army to transfer 84 MIAI tanks to the Marine Corps. The provision would require that, as two MIAI tanks become excess to the active Army's inventory requirements, one tank would be transferred to the National Guard, and one tank would be transferred to the Marine Corps, up to a total of 84 tanks for each. Thereafter, the Army would transfer all excess MIAI tanks to the National Guard.

The House amendment included no similar provision. The House report (H. Rept. 103-499) directed the Chairman of the Joint Chiefs of Staff to review the MIAI tank allocation and report to Congress on the results of that review.

The House recedes.

The conferees agree that this transfer should not be construed as a precedent for directing additional transfers of equipment between military services in the future. The conferees take this action to fill critical tank deficiencies in the active Marine Corps.

The conferees expect the Commission on Roles and Missions to review the allocation of armor among the services. The conferees believe that the Commission should consider the advice of the combatant commanders in this area as in the others on which they will provide advice. The conferees request the Commission to include any recommendations that it may have in its final report.

Exception to mandatory retirement of OV-1 aircraft for aircraft deployed in Korea (sec. 114)

The Senate bill contained a provision (sec. 113) that would permit the Army to use funds saved by the early retirement of OV-1 surveillance aircraft in Korea to lease a replacement surveillance capability, provided that the lease meets certain conditions. The provision also would amend existing law to permit the Army to maintain and operate OV-1 aircraft beyond fiscal year 1995.

The House amendment contained no similar provision.

The House recedes with an amendment that would permit the Army to continue to operate and maintain the OV-1s currently deployed in Korea beyond fiscal year 1995.

The conferees emphasize that the joint surveillance and target attack radar system (JSTARS) is the only wide-area moving target indicator radar program in the Department of Defense. The conferees are prepared to support an interim indications and warning capability for Korea until the Republic of Korea assumes responsibility for the mission, if the Secretary of Defense determines that the OV-1 is not sufficient and that it is impractical to use JSTARS in this role. The conferees do not support acquisition by the Army of a new aircraft for this mission. The conferees direct the Secretary of Defense to inform the congressional defense committees promptly of his decisions on surveillance support in Korea.

Joint service small arms program (sec. 115)

The Senate bill contained a provision (sec. 114) that would authorize the multiyear procurement of small arms to meet the inventory objectives of the army and to sustain a reduced industrial base over an extended period until follow-on weapons are ready for production. The provision also would authorize additional funds for small arms development and require development of a small arms master plan.

The House amendment contained no similar provision.

The House recedes.

The conferees direct the Army to procure as many weapons as possible within the funding levels provided.

The conferees note that, in response to previous congressional direction, the Under Secretary of Defense (Acquisition and Technology) has completed an assessment of management initiatives to improve the transition of small arms technologies from the technology base to development and to ensure full coordination of the joint service small arms program and individual service-unique small arms programs. The conferees support these actions and direct that they be reflected in the revised joint service small arms master plan required by the Senate provision.

Bunker defeat munition (sec. 116)

The budget request included \$2.6 million in RDT&E in PE 64802 and \$7.8 million for procurement of the bunker defeat munition (BDM).

The senate bill included a provision (sec. 115) that would authorize \$7.8 million to permit the Army to procure up to 6,000 type-classified standard BDM rounds and \$2.6 million in RDT&E accounts for type-classification of the weapon.

The House amendment would deny funding for BDM.

The House recedes with an amendment. The conferees agree to deny RDT&E funds and to provide \$7.1 million to procure no more than 6,000 BDM weapons. The conferees agree that a limited procurement of BDM munitions is reasonable to provide an interim capability for one light division until the SRAW/MPIM is ready for fielding. No RDT&E funds are authorized because the BDM can be type-classified for limited procurement for contingency operations without additional funds.

The army is joining the Marine Corps to develop a weapon which combines the capabilities of the Marine Corps short-range antiarmor weapon (SRAW) with the warhead technology developed in the Army's multi-purpose individual munition (MPIM) program. This effort should result in a lightweight, shoulder-fired, low-signature/backblast general purpose weapon system that should be ready for fielding around fiscal year 2000.

Procurement of helicopters (sec. 117)

The budget request included no funds to buy additional AH-64 attack helicopters or to modify additional OH-58D scout helicopters.

The House amendment contained a provision (sec. 111) that would repeal sections 132 and 133 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189). Section 132 precludes further purchases of AH-64 helicopters. Section 133 includes a similar prohibition for the OH-58D scout helicopter program. The House amendment would also authorize an additional \$72.0 million to buy six AH-64 helicopters and an additional \$225.0 million to modify 36 OH-58D helicopters.

The Senate bill contained no similar provision and funding.

The Senate recedes with an amendment that would relax the prohibitions on continuing the AH-64 and OH-58D programs for fiscal year 1995. In addition, the conferees agree to provide an additional \$72.0 million for six AH-64 helicopters and an additional \$150.0 million for 24 OH-58D modifications.

Nuclear aircraft carrier program (sec. 121)

The Senate bill contained a provision (sec. 121) that would authorize transfer of \$1.2 billion from the National Defense Sealift Fund to the shipbuilding and conversion, Navy account. The provision specified that the transferred funds would be available for the CVN-76 nuclear aircraft carrier program.

The House amendment contained a provision (sec. 161) that would prohibit the transfer of funds to fund the CVN-76 construction.

The House recedes.

Limitation on cost of Seawolf submarine program (sec. 122)

The Senate bill included a provision (sec. 122) that would impose a cost cap on the first two Seawolf submarines. The provision would permit automatic adjustments to the cost cap for (1) the amount of outfitting and post-delivery costs for these two vessels, (2) changes attributable to inflation, and (3) increased costs attributable to compliance with changes in federal, state, and local laws.

The House amendment included a provision (sec. 125) that would impose an absolute cost cap on the first two Seawolf submarines.

The House recesses.

Limitation on acquisition of guidance systems for Trident II missiles (sec. 123)

The Senate bill contained a provision (sec. 1098) that would limit the acquisition of guidance units for Trident II missiles to 14 units unless the Secretary of Defense certifies to the congressional defense committees that failure to procure additional units would pose an unacceptable risk to the long-term readiness and reliability of the Trident II missile program.

The House amendment contained a similar provision (sec. 122).

The House recesses.

Prohibition on Trident II backfit (sec. 124)

The House amendment contained a provision (sec. 123) that would prohibit the backfit of Trident II missiles into Trident missile submarines now equipped to carry Trident I missiles, unless the Secretary of Defense determines that adherence to the prohibition would result in a significant national security risk to the United States.

The Senate bill contained no similar provision.

The Senate recesses.

Inclusion of conversion of vessels in fast sealift program (sec. 125)

The House amendment contained a provision (sec. 124) that would amend section 1424(b) of the National Defense Authorization Act for Fiscal Year 1991. This provision would clarify that the legislative requirements for sealift ships apply identically to newly constructed and converted ships.

The Senate bill contained no similar provision.

The Senate recesses.

Limitation on procurement of TAGS vessels (sec. 126)

The House amendment contained a provision (sec. 126) that would prohibit the Secretary of the Navy from obligating funds for any of the vessels designated TAGS-63, TAGS-64, or TAGS-65, unless the Secretary certifies to the congressional defense committees that the multibeam sonars to be used on those vessels (whether new or remanufactured) have been obtained through competitive acquisition procedures.

The Senate bill contained no similar provision.

The Senate recesses.

Naval amphibious ready groups (sec. 127)

The Senate bill contained a provision (sec. 123) that would make findings on the importance of amphibious ready groups, express the sense of Congress that the Navy should budget to attain a twelfth amphibious ready group and its associated LHD-7 amphibious assault ship as soon as possible, direct the Secretary of the Navy to begin negotiations to extend the existing

contract option for the LHD-7 ship, and require him to report on the Department of the Navy's intentions with respect to executing the existing contract option for the LHD-7.

The Senate bill included no funding for the LHD-7 amphibious assault ship.

The House amendment contained no similar provision, but would provide \$100.0 million for LHD-7 advance procurement.

The House recesses. The conferees agree to authorize \$50.0 million that may be used to extend the contract option for the LHD-7.

Intertheater airlift programs (sec. 131)

The House amendment contained a provision (sec. 131) that would authorize funds for procurement of non-developmental alternative aircraft (NDAA) and the C-17 airlift aircraft. The provision would require the Secretary of Defense to use competitive procedures to select the source for the NDAA program. The provision would also require the Secretary to structure NDAA acquisition so that the Air Force's aggregate intertheater airlift capacity is preserved.

The Senate bill contained no similar provision.

The Senate recesses with an amendment. The conferees agree that maintaining aggregate airlift capacity is important. However, the conferees recommend that this concern be expressed as a sense of Congress provision, rather than as a legislative requirement.

Settlement of claims under the C-17 aircraft program (sec. 132)

The Senate bill contained a provision (sec. 131) that would authorize the settlement of certain claims under the C-17 aircraft program.

The House amendment contained no similar provision.

The House recesses with an amendment.

Enhanced bomber capability fund (sec. 133)

The Senate bill contained a provision (sec. 141) that would provide \$150.0 million for a bomber industrial base fund and exempt those funds from the existing B-2 bomber cost cap.

The House amendment contained a provision (sec. 132) that would provide that any expenditures by the Department of Defense to preserve the B-2 bomber industrial facilities would be charged against the B-2 bomber cost cap.

The House recesses with an amendment.

The conferees agree to recommend \$125.0 million for an enhanced bomber capability fund. The conferees further agree to require the Secretary of Defense to conduct new analyses of both bomber requirements in the near term and long term, and, should the Secretary conclude that the planned bomber program does not meet those requirements, examine alternative strategies to enhance bomber capabilities to meet those requirements and report his results to the congressional defense committees no later than April 15, 1995. Requirements would be defined, and bomber capabilities measured, for three time periods: 1998, 2006, and 2014.

In the event the Secretary determines that additional bomber capabilities are required, he shall examine alternative strategies for acquiring them, including, but not limited to:

(1) acceleration of planned upgrades to existing bombers and additional munitions and support for them;

(2) initiation of a program to develop a new, lower-cost "next generation" bomber oriented toward conventional warfare; and

(3) a resumption of low-rate production of additional B-2 bombers, or variants thereof, oriented toward conventional warfare.

As part of these analyses, the Secretary shall determine those core capabilities, which would take extended periods of time or substantial expense to regenerate and which are in imminent danger of being lost, that are needed to maintain the ability to design, develop, and produce bombers in the near term or long term.

While the analyses are ongoing, the Secretary may obligate up to \$100.0 million both to conduct these analyses and to preserve those parts of the core capabilities described above. The conferees believe that the Secretary should report to Congress where and why such funds are to be spent before obligating them. The conferees understand that, because these assessments of the bomber industrial base will proceed over time, the Secretary may determine at various times throughout the study periods the need to fund appropriate core capabilities of the base.

Following completion of these analyses and an interim report on bomber issues from the Commission on Roles and Missions, but not later than July 1, 1995, the Secretary shall report the results, and his recommendations thereon, to the congressional defense committees. Thereafter, he may obligate all remaining unobligated balances to implement his recommendations, including funds for further preservation of core capabilities, if he so recommends.

Should the Secretary conclude from his analyses that a new "next-generation" bomber is required, he may obligate up to \$25.0 million for requirements formulation and conceptual studies for a conventional-conflict-oriented, lower-cost next-generation bomber.

The conferees agree that none of the enhanced bomber capability funds may be used for advance procurement of new B-2 bomber aircraft, including long-lead items, and that subsections (c) and (d) of section 131 of the National Defense Authorization Act for Fiscal Year 1994, which established cost and numerical caps on the B-2 program, are unaffected by any provision in this act.

Retirement of bomber aircraft (sec. 134)

The Senate bill contained a provision (sec. 132) that would prohibit retirement of any B-52, B-1B, or F-111 aircraft during fiscal year 1995, and contained \$18.0 million in operation and maintenance funds to retain additional B-52H aircraft in attrition reserve status.

The House amendment contained no similar provision.

The House recedes and agrees to the inclusion of \$18.0 million in operation and maintenance funds to retain B-52 bombers.

Evaluation of restart of C-5B aircraft procurement (sec. 135)

The House amendment contained a provision (sec. 134) that would require the Secretary of the Air Force to evaluate the costs of restarting production of C-5B aircraft for the strategic airlift mission, and to submit a report to the congressional defense committees on the evaluation.

The Senate bill contained no similar provision.

The Senate recedes.

Sales authority of working-capital funded Army industrial facilities (sec. 141)

The Senate bill contained a provision (sec. 143) that would authorize Army industrial facilities, including Army arsenals, to sell commercial articles or services to persons outside DOD if the Secretary of the Army determines that the articles or services are not readily available from a commercial source.

The House amendment contained no similar provision.

The House recesses.

LEGISLATIVE PROVISIONS NOT ADOPTED

Joint training, analysis, and simulation center

The Senate bill contained a provision (sec. 107) that would authorize \$10.5 million for procurement of command, control, communications, and computer equipment for a joint training, analysis, and simulation center for the United States Atlantic Command.

The House amendment contained no similar provision.

The Senate recesses. The conferees agree to authorize \$10.5 million for this program within the Other Procurement, Navy account.

Termination of the F-14A/B upgrade program

The budget request included \$158.3 million in procurement funds for the F-14A/B upgrade program, and \$142.3 million in research and development funds for the F-14 Block I upgrade program.

The House amendment included a provision (sec. 121) that would terminate the F-14 A/B aircraft upgrade program. The House report (H. Rept. 103-499) directed the Navy to use the requested funds to convert existing F-14 aircraft into FA-14 variants with capabilities equivalent to the Air Force F-15E "Strike Eagle."

The Senate bill contained no similar provision. The Senate report (S. Rept. 103-282) directed the Navy to cancel the Block I upgrade program because the Senate was persuaded that the Navy budget will not be able to afford the ultimate \$1.6 billion cost of this program.

The House recesses. The conferees agree to provide the requested amount in F-14 procurement and \$29.4 million in research and development for programs unrelated to the Block I upgrade program.

Advanced capability (ADCAP) modification program for the MK-48 torpedo

The House amendment contained a provision (sec. 127) that would shift \$52.3 million from the fleet satellite communications program to the advanced capability (ADCAP) modification program for the MK-48 torpedo.

The Senate bill contained no similar provision.

The House recesses.

Bomber force upgrade program

The House amendment contained a provision (sec. 133) that would provide \$100.0 million for a bomber upgrade fund.

The Senate bill contained no similar provision.

The House recesses. Funding for bomber improvements is described elsewhere in this statement of the managers.

Fiscal year 1995 national defense sealift fund program

The House amendment contained a provision (sec. 162) that would authorize \$608.6 million from the fiscal year 1994 unauthorized National Defense Sealift Fund appropriation to be available for fiscal year 1995 National Defense Sealift Fund programs.

The Senate bill contained no similar provision.

The House recedes.

Transfer of excess amount to BRAC III account

The House amendment contained a provision (sec. 163) that would transfer \$591.4 million from the fiscal year 1994 unauthorized appropriation for the National Defense Sealift Fund to the base realignment and closure account, part III account.

The Senate bill contained no similar provision.

The House recedes.

Fiscal Year 1994 unauthorized sealift appropriation defined

The House amendment contained a provision (sec. 164) that would define, for purposes of the subtitle, the term "fiscal year 1994" unauthorized sealift appropriation." The term would be defined to mean \$1,200.0 million of the amount appropriated for fiscal year 1994 to the National Defense Sealift Fund (in title V of the Department of Defense Appropriations Act for Fiscal Year 1994 (Public Law 103-139; 107 Stat. 1435)).

The Senate bill contained no similar provision.

The House recedes.

Operation of sealift vessels for which assistance is provided through National Defense Sealift Fund

The House amendment contained a provision (sec. 165) that would preclude the Department of Defense and Transportation from directly operating or maintaining any vessels constructed, altered, converted, purchased, operated, maintained, leased, or chartered with funds from the National Defense Sealift Fund. The provision would also preclude civilian employees of the United States from crewing these vessels.

The Senate bill contained no similar provision.

The House recedes.

The conferees agree that the Department of Defense and Transportation must thoroughly evaluate the costs and benefits of employing a private contractor before making a final decision to operate, maintain, or man any national defense sealift vessel with U.S. civilian employees.

TITLE II-RESEARCH, DEVELOPMENT, TEST AND EVALUATION (RDT&E)

Overview

The budget request for fiscal year 1995 contained an authorization of \$36,225.0 million for research, development, test and evaluation in the Department of Defense. The Senate bill would authorize \$35,790.9 million. The House amendment would authorize \$35,979.2 million. The

conferees recommend authorization of \$36,017.0 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

RESEARCH AND DEVELOPMENT, ARMY

Overview

The budget request for fiscal year 1995 contained an authorization of \$5,260.1 million for Army research, development, test and evaluation. The Senate bill would authorize \$4,152.3 million. The House amendment would authorize \$5,424.8 million. The conferees recommend authorization of \$5,319.5 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

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University-related environmental technology

The conferees recommend an additional \$10.0 million in PE 601102A to fund a competitively-awarded grant for computing, data, and communications networks and associated facilities in support of engineering biotechnology facilities.

Domestic source for PAN fiber

The budget request contained no funds for PAN fibers.

The Senate bill would provide \$4.0 million to develop a domestic source for PAN fiber production.

The House amendment contained no similar funding.

The Senate report (S. Rept. 103-282) expressed concern that there are no domestic suppliers for high-modulus polyacrylonitrile (PAN) fiber. Composite materials using this fiber have a unique combination of specific strength and stiffness. A number of future systems (e.g., the THAAD missile) are examining the use of advanced composites using PAN fiber. Although two U.S. companies have developed high modulus PAN fibers, neither has been qualified to go into production. The conferees have been advised that the Army is concerned that it cannot guarantee future availability in the amounts required unless the material is ordered far ahead of time as a long-lead item.

The conferees agree to authorize an additional \$4.0 million in PE 62105A in order to qualify at least two domestic sources for high modulus PAN fiber. The conferees agree that these funds may not be obligated unless the Army has firm contractual commitments from two domestic sources to qualify for future DOD production requirements.

Passive microwave camera

The budget request contained no funding for passive microwave camera research.

The Senate bill contained no funding for this research.

The House amendment would authorize \$6.0 million to continue development of the passive microwave camera to detect targets in adverse weather and other obscurants.

The Senate recedes.

Solid state dye laser

The budget request contained no funding for solid state dye lasers.

The Senate bill contained no funding for this research.

The House amendment would authorize \$4.0 million in PE 62307A for solid state dye laser applications in the medical field.

The Senate recesses.

Battery technology

The Senate bill would authorize no additional funding for battery technology development in the Army.

The House amendment would authorize \$3.0 million for low-cost reusable alkaline manganese batteries.

The conferees agree to authorize an additional \$2.0 million in PE 62705A for the development of battery technologies to meet the wide range of Army needs on the modern battlefield.

Environmental quality

The budget request contained \$62.731 million for environmental quality exploratory development in PE 62720A.

The Senate bill would authorize an additional \$5.0 million for unexploded ordnance remediation at Jefferson Proving Ground.

The House amendment would authorize an additional \$13.5 million for several programs, including \$5.0 million for Jefferson Proving Ground; \$4.0 million for the bioremediation education, science, and technology (BEST) program; and \$4.5 million for continuing the joint Departments of Defense and Agriculture program in biotechnology.

The conferees agree to authorize an additional \$13.5 million to fund the programs recommended in the Senate bill and the House amendment.

Helicopter air-to-air missile evaluation

The budget request contained no funding for helicopter air-to-air missile evaluations.

The Senate bill contained no funding for this research.

The House amendment would authorize an additional \$12.5 million in PE 63003A to initiate a proof-of-principle examination and full-scale integration of an air-to-air Starstreak missile on an appropriate platform.

The conferees agree to authorize an additional \$3.0 million in PE 63003A for an evaluation of the Starstreak missile on the AH-64 Apache helicopter.

Diesel engine evaluation

The budget request contained no funding for an evaluation of Haeco II diesel combined-cycle engines in the 400-to-600 horsepower range.

The House amendment would authorize \$3.0 million for the Haeco II evaluation by the U.S. Army tank command.

The Senate contained no similar funding.

The Senate recesses.

Enhanced fiber optic guided missile/rapid force projection advanced concept technology demonstration

The budget request included \$107.6 million in various program elements for the enhanced fiber optic guided missile system (EFOG-M) as a project within the advanced concept technology demonstration (ACTD) program.

The Senate bill would authorize the requested amount for the EFOG-M but expressed concern over the potential cost, performance, and force structure plans and requirements, as well as the possibility that the Army may be forced into EFOG-M development by the Office of the Secretary of Defense.

The House amendment would reduce the requested amount by \$10.0 million and direct the Army to resolve congressional concerns regarding performance in realistic operational battlefield conditions and limited planned simulations and gaming.

The conferees agreed to reduce the requested amount for EFOG-M project by \$10.0 million and direct the Army to address the concerns expressed in the House and Senate reports (H. Rept. 103-499 and S. Rept. 103-282).

The conferees are also concerned that the rapid force projection ACTD focuses almost exclusively in its early phases on the development and demonstration of the EFOG-M. The conferees are aware of proposals for demonstrating capabilities of precision guided mortars in later phases of the ACTD program. The conferees believe that these alternatives should be accelerated so that the Army and the Department of Defense will have field experience with these systems and a basis for conducting an adequate cost and operational effectiveness analysis. The conferees strongly encourage the Secretary of the Army and the Under Secretary of Defense (Acquisition and Technology) to address these issues prior to submission of the fiscal year 1996 budget request.

Countermine warfare program

The Senate bill recommended an increased authorization of \$10.0 million in PE 63606A for Army efforts to improve mine detection and neutralization, with an emphasis on technologies that can be shared in an international environment.

The House amendment also recommended a \$10.0 million increase in this program element to initiate an Army-led, integrated mine countermeasure research and development program. The House report (H. Rept. 103-499) indicated that this effort should concentrate on mine clearance in operations other than war (OOTW), and should be coordinated with the other military services and the Advanced Research Projects Agency (ARPA). The House report also required the Secretary of the Army to prepare and deliver a plan for this initiative to the congressional defense committees by February 15, 1995.

The conferees agree that the Defense Department should develop a fully coordinated program for countermine warfare. As a part of this program, the conferees encourage the Secretary of Defense to identify an executive agent to:

- (1) coordinate all aspects of the landmine warfare program, from procurement to removal;
- (2) develop an overarching strategic, operational, and tactical concept for the use of mines and countermine operations, including materiel development and inventory objectives; and
- (3) exploit mine countermeasure doctrine, training capabilities, technical data, and equipment for application to peacetime demining efforts of other governmental and nongovernmental agencies.

The conferees believe that these activities should be coordinated with the other military services, the Humanitarian and Refugee Affairs Office within the Office of the Assistant Secretary of Defense (Special Operations and Low Intensity Conflict), and ARPA. The conferees reiterate the requirement for the Secretary of the Army to provide the plan for this countermining/demining initiative to the congressional defense committees by February 15, 1995.

Kinetic energy tank round

The budget request contained no funding for development of the X-rod, a 120mm rocket-boosted kinetic energy tank round.

The House amendment would authorize an additional \$17.0 million to bridge the X-rod kinetic energy tank round program activities through fiscal year 1995.

The Senate bill contained no similar funding.

The conferees agree to authorize \$8.5 million for X-rod development.

Advanced field artillery system/artillery propellant development

Both the Senate report (S. Rept. 103-282) and the House report (H. Rept. 103-499) expressed concerns about the Army's program to develop the advanced field artillery system (AFAS), the maturity of the liquid propellant (LP) gun technology being developed for the AFAS, and the need to maintain an advanced solid propellant armament system in parallel development as a potential back-up for the AFAS liquid propellant armament system.

The House amendment recommended a \$10.0 million increase in PE 63640A to continue the type-classification of the XM-230 unicharge advanced solid propellant in existing 39-caliber, 155mm cannons and to assess the feasibility of adapting a 52-caliber, unicharge cannon for integration into the M109 series howitzer.

The Senate bill did not contain a similar funding increase.

The conferees strongly support the modernization of Army artillery through the AFAS program. The conferees understand that the XM46 liquid propellant is preferred over others. The conferees believe, however, that the Army must maintain a robust unicharge program as a back-up to the development of LP for the AFAS and for potential application to other cannon artillery weapon systems.

The conferees, therefore, recommend an authorization of \$25.937 million in PE 63640A, an increase of \$17.8 million above the requested amount, to continue engineering development of the XM297 cannon, to continue development of the XM-194 bolt-in/bolt-out gun mount for potential use in the M109A6 Paladin, and to type-classify the XM230 unicharge propellant for the standard 39-caliber artillery cannon.

The conferees expect the Army to demonstrate conclusively the ability to weaponize the liquid propellant armament system prior to the elimination of unicharge as a cannon propulsion alternative for the AFAS. The conferees also direct the Army to ensure the development of a domestic supply of basic hydroxyl amine nitrate chemistry for the production of liquid propellant, should it be selected as the propellant for the AFAS.

Advanced boresight equipment

The budget request included \$1.4 million (PE 63801A), \$1.3 million (PE 25633N), and \$0.9 million (PE 79026F) in the Army, Navy, and Air Force research and development accounts for advanced boresight equipment. The Army is currently coordinating the advanced boresight program.

The Senate bill would authorize the requested amounts.

The House amendment would authorize an additional \$1.0 million each for the Navy and the Air Force.

The conferees agree to authorize an additional \$2.0 million for the Army.

Tactical bridging

The Senate bill would authorize the application of \$2.0 million in prior-year funds and an additional \$2.0 million of fiscal year 1995 funds in PE 63804A for an evaluation of medium assault bridge techniques and technologies to support the armored gun system (AGS).

The House amendment would authorize \$1.3 million in PE 63804A and \$1.1 million in PE 64804A for completing technical data packages and type-classification of the heavy tactical bridge and common bridge transporter.

The conferees agree to authorize funding for both medium and heavy tactical bridging programs, as recommended by the Senate bill and the House amendment.

Armored gun system

The budget request included \$44.77 million for continued testing and engineering development of the armored gun system (AGS).

Both the Senate bill and the House amendment would authorize the requested amount.

Since the budget request was submitted, the Army determined that additional funding was needed to provide suitable vehicles for operational testing. The conferees agree to authorize an additional \$12.0 million in PE 64645A to decrease concurrency risks by refurbishing six test vehicles for use in early operational test and evaluation. These funds may also be used for manufacturing enhancements on AGS components in order to reduce unit production costs and keep the supplier base active.

Automatic test equipment

The budget request contained \$7.2 million for development of automatic test equipment for the Army.

The Senate bill would authorize the requested amount.

The House amendment would authorize an additional \$10.0 million for the integrated family of test equipment (IFTE).

The conferees agree to authorize \$8.5 million above the requested amount for IFTE. The conferees continue to support a single family of test equipment for the Army's electronic maintenance needs. However, the conferees believe that the Army should continue to use existing multipurpose direct support electrical systems test sets to support the Abrams main battle tank and the Bradley fighting vehicle throughout the life of these systems and to include such equipment in the IFTE family when such equipment is more cost-effective.

Weapons and munitions engineering development

The budget request included \$9.13 million in PE 64802A for weapons and munitions engineering development.

The Senate bill would authorize the requested amount.

The House amendment recommended an increase of \$16.0 million for development of the XM930 illumination cartridge and continued development of the XM931 full-range training cartridge for the 120mm mortar system.

The conferees recommend a total authorization of \$14.5 million, including \$6.0 million for development of the XM930 illumination cartridge and \$2.0 million for continued development of the XM931 full-range training cartridge. The conferees also recommend a reduction of \$2.6 million for engineering and

manufacturing development of the bunker defeat munition with the understanding that these funds are no longer required for the program.

Battlefield combat identification system

The budget request contained \$13.7 million in PE 6481A for development of the battlefield combat identification system (BCIS).

The Senate bill would authorize the requested amount.

The House amendment would authorize an additional \$5.0 million in RDT&E and \$11.0 million in procurement to accelerate the BCIS program.

The conferees recognize the importance of fielding capabilities as soon as possible to reduce battlefield fratricide and agree to authorize an additional \$5.5 million in PE 64817A for further development of BCIS. The conferees share the Army's concern with the cost of BCIS and recognize the potential of the battlefield digitization program to provide much-improved identification friend or foe capabilities. The conferees also agree, however, that BCIS is promising technology and should be developed and evaluated.

Mobile automated instrumentation system

The budget request contained \$55.3 million for major test and evaluation investment in PE 64759A.

The Senate bill would reduce the requested amount by \$25.0 million.

The House amendment would authorize the requested amount.

The conferees agree to a reduction of \$11.0 million from the requested amount. The conferees further agree that \$14.0 million of the funds authorized for PE 64759A is specifically for the mobile automated instrumentation system.

High energy laser systems test facility

The budget request included no funds for the DOD high energy laser systems test facility (HELSTF).

The Senate bill would authorize \$20.0 million for HELSTF, of which \$2.5 million is available to carry out the U.S. share of the Nautilus tactical laser effort with Israel.

The House amendment included no funds for HELSTF.

The House recedes. As pointed out in the High Power Laser Guidance Report submitted by the Department of Defense to Congress in June 1994, HELSTF is the only integrated, megawatt-class laser facility with the only fully instrumented high-power laser range and environmentally-approved test area available to DOD. It will be used not only for the Army Nautilus program, but for the Navy point defense demonstration and the Air Force airborne laser lethality demonstration as well. The conferees agree that the Joint Directors of Laboratories (JDL) Technology Panel for Directed Energy Weapons should seek to ensure the role of HELSTF as an affordable and cost-effective DOD research and test facility to support both high-power laser and optical tracking programs. The panel should do this by determining how best to reduce overhead costs through automation and other restructuring measures. The conferees expect to see this important facility, including any facility improvements recommended by the JDL, included in the fiscal year 1996 budget request.

Multiple launch rockets

The budget request contained \$55.7 million for development of the extended-range version of the multiple launch rocket system (ER-MLRS). The Army requested no funds for MLRS rocket production. The Army request presumed using \$15.0 million of prior-year funds to maintain a production capability (a so-called "warm-line" fund).

The Senate bill would authorize the requested amount.

The House amendment would authorize an additional \$16.1 million for a fuze facility. The Army planned to fund this facility in fiscal year 1996.

The conferees agree that it would be preferable to avoid a production break in the MLRS program. However, the Army does not require additional tactical rockets of the existing type, and the inventory of practice rockets will last until the next decade. The conferees believe that the production date of the ER rocket itself might be accelerated, but there is risk in the development of the wind-sensing device required to achieve prescribed accuracies at long ranges. Foreign sales are possible, but unlikely due to high unit costs.

The conferees agree to authorize \$16.1 million for the fuze facility. This action could make it possible to accelerate the production schedule of the ER rocket. This measure would make sense only if additional rockets are procured in fiscal year 1995. The conferees, therefore, agree to authorize an additional \$10.0 million for rocket production and direct the Army to apply the \$15.0 million in prior-year funds to rocket production to maintain the minimum sustaining production rate of 6,000 rounds. The conferees direct the Army to use the fiscal year 1996 funds programmed for the fuze facility for the MLRS program in fiscal year 1996. The conferees would support ER rocket production in fiscal year 1996 if the Army determines that wind-sensor development is mature enough or that the level of concurrency is acceptable in this program. Otherwise, the conferees believe that the funds should be applied to warm-line expenses.

The conferees also authorize the Army to initiate in fiscal year 1995 the improved launcher mechanical system (ILMS) for MLRS and to synchronize that program with the improved fire control system within available funds. The conferees also encourage DOD and the contractor to renew attempts to avoid production breaks by making foreign military sales of MLRS, especially to the Republic of Korea. MLRS is a superb counter-batter weapon, and South Korea is faced with a formidable artillery and rocket threat.

M1A2 improvements

The Senate bill would authorize \$25.0 million to accelerate development of an eye-safe laser and second-generation forward-looking infrared sensor for the M1A2 tank and other combat vehicles.

The House amendment contained no similar funding.

The House recedes.

The conferees understand that the cost in fiscal year 1995 to accelerate these programs is \$17.9 million, instead of \$25.0 million, and agree to authorize that amount.

Air defense missiles

The budget request contained \$24.6 million for Army air defense missile product improvements.

The Senate bill would authorize an additional \$5.0 million to accelerate development of the Block II fire-and-forget seeker for the Stinger retrofit program.

The House amendment would authorize an additional \$10.0 million, with half the amount for Stinger and half the amount to platoon-level tests of the Starstreak missile.

The conferees agree to authorize \$5.0 million for acceleration of the Stinger Block II, and \$8.0 million for the evaluation of Starstreak.

The conferees direct the Secretary of the Army to undertake an operational assessment, to be conducted by the Army Operational Test and Evaluation Command, of the Starstreak and Stinger missile programs and report to the congressional defense committees by March 1, 1995. The report should address: (1) total inventory requirements for air defense missiles of the Stinger/Starstreak type; (2) the life-cycle costs of adding Starstreak to the inventory, including costs to modify launch platforms, compared to the costs of upgrading Stinger; (3) the operational effectiveness of the Block II Stinger compared to Starstreak; (4) the results of Starstreak evaluations conducted to date; and (5) the Secretary's recommendations concerning the acquisition of Starstreak.

Chemical-biological defense program

The budget request included \$505.6 million for chemical-biological defense programs in the military services and defense agencies accounts.

The House amendment would authorize an increase of \$55.6 million for the following three Army research and development programs: \$12.5 million for PE 0602622A; \$34.8 million for PE 0604806A; and \$8.3 million for PE 0603806A.

The Senate bill would reduce the following programs in the Army research and development and procurement accounts by \$93.5 million: \$9.5 million reduction for procurement of chemical-biological shelters; \$20.4 reduction for joint biological defense procurement; \$10.7 million reduction to PE 602622A; and \$53.0 million reduction for PE 0208051A.

The conferees agree to authorize an increase of \$16.6 million to the following Army research and defense accounts: \$4.0 million in PE 0602622A; \$10.7 million in PE 0604806A; and \$1.9 million in PE 0603806A. Further, the conferees agree to transfer research and development and procurement funds requested for joint biological defense in PE 028051A and line 121, other procurement, Army, to separate defense agency program elements pursuant to congressional direction in title XVII of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160). The conferees also recommend that the Department utilize resources and technologies, existing and under development at the national weapons laboratories, the military service laboratories, and industry, in the chemical-biological defense program. The conferees remain concerned that the Department has not submitted three reports on the chemical-biological defense program. The three reports address: (1) the feasibility of the National Institutes of Health conducting all federal research relating to medical countermeasures against biowarfare agents (required by the National Institutes of Health Revitalization Act of 1993 and due by December 1993); (2) the necessity for a dedicated Department of Defense vaccine production facility (required by the National Defense Authorization Act for Fiscal Year 1994); and (3) measures taken to improve management, joint coordination, and oversight of the chemical-biological defense program (required by title XVII of the National Defense Authorization Act for Fiscal Year 1994). Title XVII also requires the consolidation of funds requested for all chemical-defense programs into separate defense accounts, which has also not been done.

The conferees are aware that the Department has taken a number of steps to consolidate management of the overall chemical-biological defense program. To ensure effective overall management, oversight, coordination, and consolidated control of the chemical-biological defense program, the conferees direct the Secretary of Defense to ensure that the responsibilities of both the Office of the Assistant to the Secretary of Defense (Atomic Energy) and the Secretary of the Army include the review of all chemical and biological defense technology base, advanced development, engineering development, and procurement activities.

RESEARCH AND DEVELOPMENT, NAVY

Overview

The budget request for fiscal year 1995 contained an authorization of \$8,934.7 million for Navy research, development, test and evaluation. The Senate bill would authorize \$8,796.1 million. The House amendment would authorize \$8,914.0 million. The conferees recommend authorization of \$8,845.9 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

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Magnetohydrodynamics

The budget request contained \$6.0 million for magnetohydrodynamics (MHD) research.

The Senate bill would authorize the requested amount.

The House amendment would authorize an additional \$3.0 million for MHD.

The conferees agree that of the amounts authorized to be appropriated in PE 61153N for the Navy, \$9.0 million would be authorized for continuation of the MHD program.

Materials, electronics, and computer technology

The budget request contained \$80.867 million in PE 62234N for materials, electronics, and computer technology.

The House amendment would authorize an additional \$5.0 million for collaborative research efforts between the Navy and the academic community on materials research in welding and welding consumables for high strength steel structures; advanced methods to manage hydrogen in welding structures; and development of "part-on-call" manufacturing of metallic components. The House amendment also contained a provision (sec. 203) that would authorize an additional \$500,000 for the Navy to initiate and carry out a manufacturing technology program for taconite processing technology.

The Senate bill contained no similar funding or provision.

The House recedes on its provision.

The conferees agree to authorize an additional \$5.5 million in PE 62234N as provided by the House amendment and direct that of the \$86.367 million authorized, \$8.0 million be used for the continued development of high thermal conductivity fibers for use in removing heat from advanced electronic systems used in military and space applications, as described in the Senate report (S. Rept. 103-282) and the House report (H. Rept. 103-499).

Air systems and advanced technology

The budget request included \$30.293 million for air systems and advanced technology in PE 63217N.

The Senate bill would provide the requested amount.

The House amendment would reduce the program element by \$8.721 million for the advanced short takeoff and vertical landing (ASTOVL) technology demonstrator program and \$5.0 million for the integrated high performance turbine engine technology (IHPTET) program, transferring the management and funding of these activities to the joint advanced strike technology (JAST) program (PE 63800N). The House amendment would also provide an additional \$4.5 million for the advanced anti-radiation guided missile (AARGM) program in PE 63217N, as well as \$3.0 million in PE 63203F.

The conferees agree to transfer \$8.721 million to JAST, restore \$5.0 million for IHPTET, and provide an additional \$7.5 million for AARGM for the purposes described in the House report (H. Rept. 103-499).

Long-range guided projectile technology

The House amendment recommended the transfer of \$5.0 million from air systems and weapons technology, PE 63217N, to gun weapons system technology, PE 63795N, in support of long-range guided projectile technology development.

The Senate bill did not contain a similar transfer.

The House recedes.

The conferees endorse the views expressed in the House report (H. Rept. 103-499) on the importance of advanced, long-range precision guided munitions in meeting Navy surface fire support requirements. For the Army, too, there is no point in developing new, long-range artillery capabilities unless projectiles are developed that can achieve the needed range, accuracy, and payload. The Conferees believe that the Army and the Navy should jointly capitalize on technologies, such as the global positioning system, inertial navigation, composite materials, and aerodynamic shapes, to achieve these objectives.

The conferees reserve judgment on the possibility of completely common ammunition, given the differences between Army and Navy artillery designs, but believe that technology and component commonality should be aggressively pursued. The conferees urge the two services to establish a joint program and seek adequate funding in future years.

Operational airship demonstration

The budget request contained \$33.0 million for the precision strike and air defense program in PE 63238N. The budget request contained no funds for continuing an airship demonstration project.

The House amendment would provide an additional \$8.2 million to conduct an airship ultra high frequency radar demonstration as a part of the mountaintop phase I demonstration project.

The Senate bill would authorize the requested amount.

The Department of Defense has provided more extensive briefings on the mountaintop phase I demonstration project. The conferees conclude that there is no practical role for the airship in this phase.

Instead, the conferees recommend an additional \$7.1 million to continue the Navy's effort to assess the potential contribution that airships could make to the airborne component of the ship self-defense/cooperative engagement capability, over-the-horizon targeting and surveillance, and other relevant mission areas. The conferees understand that the Navy will be able to gather significant data during fleet exercises and missile tracking tests. These data will permit the Department to use modeling and simulation to evaluate the airship's potential contribution to joint cruise missile defense.

The conferees also direct the Secretary of the Navy to provide the results of this extended assessment to the congressional defense committees in the 1995 annual report on the ship self-defense/cooperative engagement program.

Interactive multi-dimensional acoustic trainer (IMAT)

The House amendment would provide an increase of \$3.8 million in PE 63707N to accelerate exploitation of the interactive multi-dimensional acoustic trainer (IMAT) technology.

The Senate bill would provide no increased funding.

The House recesses.

The conferees understand that the Navy, as part of its core technology program, is continuing the IMAT program and investigating its potential application to a wide range of training requirements. The conferees endorse the direction to the Secretary of the Navy contained in the House report. (H. Rept. 103-499), relative to the assessment of training requirements and plans for development of advanced training technologies.

Battlefield surgical tissue replacement

The budget request contained no funding for battlefield surgical tissue replacement.

The Senate bill contained no funding for this research.

The House amendment would authorize an additional \$5.0 million PE 62787A to conduct tissue substitutes and tissue repair using low-powered diode lasers.

The Senate recesses.

Aviation survivability

The budget request included \$10.0 million in the Navy's aviation survivability research and development program (PE 63216N).

The House amendment recommended an increase of \$5.5 million.

The Senate bill contained no similar recommendation.

The conferees agree to support the House recommendation.

The conferees note that the Defense Department has repeatedly excluded projects from its budget request in the expectation that Congress would provide additional funding for them. The conferees believe that, from time to time, individual projects merit additional funding. Additional congressional support may be justified for these projects when they have been excluded from the President's budget request, or require additional funding to capitalize on a particular technology or to meet a critical requirement.

The conferees believe strongly, however, that this should not be a routine practice for several projects at a single research and engineering center. Such projects and programs must compete with other projects and programs on the basis of their technical merit and ability to meet required operational capabilities in the budget development process. The conferees expect that the Armed Services Committees of the Senate and House of Representatives will monitor these practices closely when they consider future defense budget requests.

Antisubmarine warfare systems development

The budget request included \$31.5 million for antisubmarine warfare (ASW) systems development (PE 63254N).

The House amendment would provide an additional \$9.0 million: \$4.0 million for extended echo ranging technology exploitation; and \$5.0 million to continue hardware and software development and the installation of system upgrades in the BEARTRAP aircraft.

The Senate bill would authorize the requested amount.

The House recesses.

The conferees note the very important role that the BEARTRAP aircraft program has played in the rapid development and prototyping of advanced antisubmarine warfare technology. The conferees also note that the budget request for fiscal year 1995 is sharply reduced from the fiscal year 1994 level. Given the long term benefits that have accrued from the BEARTRAP aircraft, the conferees are concerned that this reduction in funding may be short-sighted. The conferees do not believe that it is justified by any rationale contained in the budget submission, which is silent on the subject.

The conferees strongly encourage the Navy to reevaluate its budget priorities with respect to BEARTRAP, and to maintain funding levels required to continue ongoing hardware and software upgrades to the system.

Ship main propulsion gas turbine improvements

The budget request included \$72.4 million for advanced surface machinery systems.

The Senate bill would approve the requested amount.

The House amendment would add \$12.4 million to the requested amount. Of this amount, \$7.4 million would accelerate development of the inter-cooled recuperated (ICR) gas turbine engine. The remaining \$5.0 million would initiate a concurrent program to retrofit existing Navy ship propulsion LM-2500 engines with a recuperator (called "LM-2500R"). The intent of the LM-2500R program would be to develop efficiencies similar to the ICR program for the Navy's existing main propulsion gas turbine.

The conferees agree to provide an additional \$7.4 million to accelerate development of the ICR gas turbine engine. Although the Navy has not yet published the report, the conferees understand that a Navy life cycle cost analysis requested in the statement of the managers accompanying the conference report on the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103-357) concludes that the alternative of completing development of the LM-2500R would not be cost-effective. The conferees direct the Secretary of the Navy to provide the requested analysis to the congressional defense committees by December 1, 1994.

Short-range antiarmor weapon/multi-purpose individual munition

The budget request included \$8.4 million in Navy research and development funds for development of the short-range antiarmor weapon (SRAW) for the Marine Corps. The conferees note that the requested amount is substantially below that needed to comply with the clear direction expressed by the conferees in the statement of the managers accompanying the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103-357). In compliance with that direction, the Army has adopted the SRAW missile as the delivery system for the Army-developed multi-purpose individual munition (MIPM) warhead, and requested \$3.9 million for research and development.

The Senate bill provided an additional \$15.0 million for the Marine Corps SRAW program and directed the Marine Corps to reprogram an additional \$6.6 million to meet the schedule established by the National Defense Authorization Act for Fiscal Year 1994. The Senate bill would authorize \$3.9 million for the Army's SRAW/MIPM development program.

The House amendment would authorize the requested amount for the Marine Corps SRAW program, and authorize \$3.9 million for the Army's SRAW/MIPM development program.

The conferees agree to authorize an additional \$10.9 million in PE 63635M and urge the Marine Corps to reprogram at least \$6.6 million to accelerate the engineering and manufacturing development program for the SRAW. The conferees understand that the resulting program schedule will not cause unacceptable concurrency and encourage the Marine Corps to monitor the development closely to ensure the success of the SRAW/EMD program. The conferees also state that they do not intend to subsidize this program if the services persist in underfunding it.

Army/Marine Corps 155mm lightweight howitzer program

The House amendment recommended a \$7.0 million increase in PE 63635M and a \$7.0 million increase in PE 63004A for the Marine Corps and the Army to complete evaluation of existing 155mm lightweight howitzer prototypes, evaluate advanced fire control and other promising technologies for improvements in the tactical mobility and operational effectiveness of towed artillery systems, confirm operational requirements, and provide the basis for a decision to proceed with further development and acquisition of a lightweight 155mm howitzer system.

The Senate bill contained no similar recommendation.

The conferees recommend an increased authorization of \$5.0 million in PE 63635M for the Marine Corps and an increased authorization of \$7.0 million in PE 63004A for the Army, as recommended in the House amendment. The conferees do not intend to support this program unless the Army and Marine Corps establish joint operational requirements, agree on a joint development program, and fund the program adequately.

To the extent possible within available funds in PE 63004A, the Army is authorized to develop advanced guidance and control for artillery munitions in conjunction with the Navy, as discussed elsewhere in this statement of the managers. The conferees urge the Secretary of the Army to seek funding to continue this initiative in fiscal year 1996.

Plasma arc technology

The budget request contained no funds for plasma arc technology.

The Senate bill would provide an additional \$1.8 million in PE 60721N to allow the Navy to explore the use of plasma arc technology for solid waste treatment aboard naval vessels.

The House amendment would also provide \$1.8 million for plasma arc technology.

The conferees agree to provide \$1.8 million to assess the use of plasma arc technology on board naval vessels.

Ship self-defense

The budget request included a total of \$373.8 million for ship self-defense research and development, \$192.3 million in PE 63755N and \$181.5 million in PE 64755N.

The Senate bill would add a total of \$29.1 million to the requested amount to:

- (1) accelerate the ship self-defense engineering and manufacturing development effort;
 - (2) continue preparations at the land-based test site and on the self-defense test ship;
- and
- (3) procure NULKA decoys for additional at-sea testing.

The House amendment would provide an increase of \$8.5 million to the program to begin an evaluation of an insensitive munition, dual thrust motor upgrade to the rolling air-frame missile (RAM) and for other initiatives.

The conferees agree to provide an increase of \$24.2 million above the requested amount for self-defense programs. The conferees intend the Navy to apply this increased funding to:

- (1) accelerating improvements to the self-defense test ship (\$11.2 million);
- (2) evaluating an insensitive munition, dual thrust motor upgrade to the RAM (\$5.0 million); and
- (3) procuring NULKA decoys (\$8.0 million).

The conferees are concerned about persistent rumors that the Navy intends to divert prior-year funding from key self-defense thrusts, such as infrared sensors, to other programs. The conferees continue to believe, based on at-sea testing in 1993 and associated Navy briefings, that an integrated infrared search and track capability will be an important aspect of the emerging ship self-defense architecture. Consequently, the conferees encourage the Navy to keep the infrared sensor program on track and urge the Navy to provide an analytical rationale before taking any steps that would hinder this ongoing program.

Naval surface fire support

The Senate bill would authorize the requested amount of \$24.8 million in PE 63795N, gun weapon system technology, for the naval surface fire support program.

The House amendment would authorize a \$36.6 million increase to the requested amount to accelerate the fielding of fire support improvements for Marine amphibious operations.

The conferees agree to an increase of \$6.0 million for this program. During the past three years, the conferees have repeatedly expressed concern over the need to correct deficiencies in the Navy's surface fire support for Marine amphibious operations.

The Department of the Navy's blueprint for future operations devotes major attention to operations in the littoral regions and emphasizes the importance of power projection through amphibious operations. Current amphibious doctrine emphasizes the need to project this power from beyond the horizon to minimize the threat from enemy missiles. At these greater standoff ranges, the Navy and the Marine Corps must (1) extend the range of Navy fire support systems; and (2) provide rapid ship-to-shore movement through such programs as the V-22 aircraft and the advanced amphibious assault vehicle (AAAV). Improvements in all these areas must take place simultaneously to achieve a true "over-the-horizon" assault capability. The conferees believe that emphasizing one or two of the parts of a capability at the expense of an essential element of that capability is hardly balanced.

The conferees have learned that, in preparing its fiscal year 1996 Future Years Defense Program proposal, the Department of the Navy reallocated resources from various Navy programs to fund the V-22 and AAAV. One of the programs cut was the ship fire support improvement program. The conferees were disturbed to learn that the Marine Corps participated in this reallocation. Although competition for declining resources is clearly intense, the conferees are concerned that Navy funding will not keep naval shore fire-support improvements on the same pace as that of other programs designed to improve amphibious capabilities. Program trade-offs are a fact of life, but, in this case, it is not clear that an essential balance has been maintained.

Therefore, the conferees direct the Secretary of the Navy to submit a report to the congressional defense committees by March 1, 1995, that presents an integrated plan, including funding and milestones, for fielding fire support improvements on a timeline that coincides with associated amphibious and air assault systems. The conferees assume that the cost and operational effectiveness analysis (COEA) directed in the National Defense Authorization Act for Fiscal Year 1993 will be completed in sufficient time to provide a solid analytical underpinning to this report.

Joint advanced strike technology program

The budget request included \$100.037 million in PE 63800N and \$101.354 million in PE 63800F for the Navy and Air Force joint advanced strike technology (JAST) program. The budget request also included \$8.721 million in PE 63271N and \$20.014 million in PE 63226E for the Navy and ARPA, respectively, to support the advanced short takeoff and vertical landing (ASTOVL)/conventional takeoff and landing (CTOL) demonstrator aircraft.

The Senate bill would authorize the requested amounts, and provide an additional \$10.2 million for the ASTOVL direct lift propulsion concept.

The House amendment would:

- (1) delete the funding for the Navy and ARPA ASTOVL;
- (2) transfer the management of the ASTOVL program to the JAST program office;

(3) direct that the ASTOVL phase II program be funded from the funds provided to JAST; and

(4) direct the JAST program to continue to manage the ASTOVL phase II program through ARPA.

The House amendment would also reduce several propulsion programs (PE 63217N, PE 63202F, and PE 63216F would be reduced by \$5.0 million, \$8.0 million, and \$10.0 million, respectively), because of perceived redundancies in propulsion research and development between these programs and the JAST program.

The conferees agree that:

(1) JAST and ASTOVL program management should be consolidated, with execution of the ASTOVL phase II program continuing to be performed by ARPA;

(2) Navy and ARPA ASTOVL funding should be shifted to the Navy JAST Program (PE 63800N); and

(3) the separate propulsion programs should be approved as requested.

The conferees would not object if the JAST program office were to determine that additional ASTOVL competitive propulsion concepts, such as direct lift and lift plus lift, should be funded.

Finally, the conferees understand that the Navy Department may be evaluating the potential of existing Air Force and Navy aircraft to meet its immediate long-range, stealthy, strike aircraft requirement. The conferees expect to be kept informed in a timely manner by all the services of such studies and analyses, and how such analyses may affect JAST requirements. This information should be provided to the congressional defense committees no later than the submission of the fiscal year 1996 budget request.

Advanced rocket system

The budget request included \$14.8 million in PE 64603N for engineering and manufacturing development of the advanced rocket system (ARS).

The Senate bill would approve the requested amount.

The House amendment would provide \$3.0 million to terminate the ARS program.

The conferees understand that the Marine Corps has decided that it cannot afford the ARS program at this time and will not request any additional funding for this program in future budget requests. Nevertheless, the Marine Corps still requires a 2.75 inch rocket with insensitive munitions (IM) and electromagnetic resistance (called "hazards of electromagnetic radiation to ordnance," or HERO). The conferees also understand that the Marine Corps plans to restructure the fiscal years 1994 and 1995 program. With this restructuring, the Marine Corps hopes to obtain sufficient information to enable the Marine Corps to pursue a more affordable program with the Army to address IM and HERO requirements.

The conferees agree to provide \$3.0 million for these purposes. The conferees will consider a reprogramming request during the next year if the Army and Marine Corps have agreed to a plan to achieve their mutual IM, HERO, and environmental objectives for the upgrade of the 2.75 inch rocket system.

The conferees note that the Army is interested in hypervelocity rockets and more lethal warheads, and has funded successful technology developments in the past. The conferees understand that the current Hydra-70 rocket is not compatible with shipboard operations. The conferees also understand that non-developmental systems may help solve existing deficiencies in the current Hydra-70 rocket weapons system. The conferees specifically expect the Army and Marine Corps to

consider the option of producing, and qualifying for operational use, an improved rocket based on the Hydra-70 system as a successor to the ARS program. The conferees believes that this option might be available through executing an engineering change proposal to the current Hydra-70 rocket using non-developmental items. For any option chosen, however, the conferees expect the Department to use competitive procedures in meeting the improved rocket requirement.

SSBN security technology assessment program

The budget request included \$29.3 million for the SSBN security program.

The House amendment would authorize an additional \$12.35 million for priority activities under the SSBN security technology assessment program.

The Senate bill would authorize the requested amount.

The House recedes.

Additional information on this program is contained in the classified annex to this statement of the managers.

Acoustic sensor technology

The budget request included \$20.6 million for advanced submarine combat systems development (PE 63504N) and \$28.8 million for integrated surveillance system development (PE 24311N).

The Senate bill would approve the requested amounts. The Senate report (S. Rept. 103-282) emphasized that the Navy could lower the cost of towed and hull-mounted arrays used in antisubmarine warfare by applying a number of new techniques, including, but not limited to, fiber optic technology.

The House amendment would add \$4.0 million and \$7.8 million to these programs, respectively, to lend additional support to the development of low cost, lightweight military applications of fiber optic technology. These applications include such systems as common optical towed arrays and flank arrays for submarines.

The conferees agree to provide the additional funds recommended in the House amendment. The conferees agree that further development of fiber optic systems could yield dramatic cost and effectiveness improvements for acoustic sensors. The conferees believe, however, that a number of other technologies, such as ceramics and composites, may also lead to significant cost and weight savings. The conferees agree that the Navy should continue to explore technology developments across a broad front with the objective of improved performance at lower cost.

Mine clearing technology

The conferees are aware that the Marine Corps has conducted preliminary tests with a power-blade, earth-moving technology which could improve mine clearing capabilities. The conferees recommend \$600,000 of the funds authorized in PE 26623M for further tests and validation of the power-blade technology. The conferees expect the Army to also participate in these tests and evaluate the results for the improvement of Army mine clearing capabilities.

RESEARCH AND DEVELOPMENT, AIR FORCE

Overview

The budget request for fiscal year 1995 contained an authorization of \$12,349.4 million for Air Force research, development, test and evaluation. The Senate bill would authorize \$12,329.8 million. The House amendment would authorize \$12,318.8 million. The conferees recommend authorization of \$12,475.7 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

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Sled tracks

The budget request contained funding for operation of Air Force and Navy sled tracks.

The Senate bill would add \$4.0 million to the Air Force sled track program. The Senate report (S. Rept. 103-282) directed the Department of Defense to consolidate all sled track testing at Holloman Air Force Base, and to accelerate modernization of the Holloman sled track.

The House amendment contained no additional funding for sled track operation.

The conferees agree to authorize an additional \$4.0 million to accelerate the modernization of the Holloman sled track. However, the conferees agree that it is premature to direct consolidation of all sled track testing pending the outcome of the 1995 base closure process. The conferees agree that the reporting requirement in the Senate report is unnecessary.

Thermionic power systems

The budget request contained \$26.897 million in PE 62601F (project 8809, satellite technology). No funds were requested in this project to continue research on thermionic space power technology.

The Senate bill and the House amendment would both add \$10.0 million to continue development of this technology.

The conferees agree that the thermionics program offers the potential for revolutionary improvements in power generation technology with substantial defense and commercial implications, and urge the Air Force to continue development of this technology.

Rocket propulsion technology

The budget request included \$31.5 million in PE 62601F for project 1011 and \$11.8 million in PE 63302F for rocket propulsion technology.

The Senate bill would provide no additional funds for this research.

The House amendment would authorize an additional \$5.0 million in PE 62601F for project 1011 and an additional \$2.5 million in PE 63302F for rocket propulsion technology.

The Senate recedes. The conferees support the additional funding for rocket propulsion programs as described in the House report (H. Rept. 103-499).

High frequency active auroral research program

The budget request contained no funding for the High frequency active auroral research program.

The Senate bill would authorize \$5.0 million for this purpose in PE 62601F, provided that the Secretary of Defense notifies the congressional defense committees that funding to complete the project will be included in future budget requests.

The House amendment would provide no funding for the program.

The House recedes.

The conferees agree that the project has promise for detection of underground structures such as tunnels and shelters, and note that the absence of such a capability has been identified in a May 1994 report the Deputy Secretary of Defense as a serious weakness in the DOD plans for precision attacks on hardened targets and counterproliferation. This report recommends increased funding of \$75.0 million annually for the detection of underground structures. The conferees further

note that such a project would provide a world-class ionospheric research facility that could also detect mineral and oil deposits, aquifers, and geological structures.

The conferees share the Senate's concern that the Department of Defense will not include funds to finish this facility in future budget requests. The Air Force has spent \$20.0 million, but the complete facility would require another \$150.0 million. The conferees see no reason why funds would not be requested to finish this project if the Department of Defense is truly serious about locating underground structures. Therefore, the conferees direct that none of these funds be obligated until the Secretary of Defense notifies the congressional defense committees that the Department will, as part of the nonproliferation and counterproliferation program recommended in the May 1994 report, include funding for this project in future budget requests.

Decision support technology

The budget request included \$9.925 million in PE 63789F for command, control, and communications advanced development.

The Senate bill would provide the requested amount.

The House amendment would provide an additional \$7.0 million to conduct a technology demonstration of decision support technology.

The conferees agree to provide an additional \$1.0 million for this purpose.

Composite propellers

The Senate bill provided an additional \$8.0 million for the Air Force to begin the fabrication and component-level testing that would lead to qualification of an all-composite propeller.

The House amendment contained no similar funding.

Significant life cycle cost savings could be achieved through the use of composite propeller technology. The conferees, therefore, recommend \$4.0 million to initiate a composite propeller technology program.

The conferees express their dismay over the apparent frivolous manner in which the Secretary of the Air Force responded to the direction contained in the Senate report on the National Defense Authorization Act for Fiscal Year 1994 (S. Rept. 103-112). The report asked for an analysis of the costs and benefits of composite propellers. The report was late, and it was unresponsive. The two-page report provided very little useful analysis of the issue. Further, when Air Force personnel were requested to provide the quantitative data to support the qualitative statements made in the report, they were unable to provide any data whatsoever.

F-111 squadrons

The budget request contained \$11.019 million for F-111 squadrons research and development (PE 27129F).

The Senate bill would authorize the requested amount.

The House amendment would approve only \$1.504 million because of unanticipated savings in the termination of the stores management system project.

The conferees agree to authorize \$2.819 million, including \$2.5 million to correct deficiencies found during initial flight testing of the digital flight control system modification.

Tri-service standoff attack missile

The budget request contained \$66.7 million for the Navy, and \$81.1 million for the Air Force, to continue development of the tri-service standoff attack missile (TSSAM). The budget request also contained \$373.9 million in procurement to begin low-rate initial production of the Air Force's combined effects bomblet (CEB) version of the missile. Finally, the budget request included \$82.5 million to pay for termination charges to cancel the Army portion of the program.

The House amendment would cancel the TSSAM program. The House amendment would eliminate the Air Force production funds, and all research and development funds except those requested for the Air Force. The House report (H. Rept. 103-499) directed the Department to use prior-year funds and the requested Air Force research and development funds for any termination costs. The House report based this decision on continuing cost and developmental problems in the TSSAM program, and the availability of less costly alternatives.

The Senate bill would approve the amounts requested for Air Force and Navy research and development, but would reduce Air Force procurement by \$65.8 million. The Senate report (S. Rept. 103-282) directed that none of the fiscal year 1995 production funds be obligated until the testing program has: (1) achieved all contractual exit criteria for proceeding to the next phase of the program, and (2) passed the standards set forth in the classified annex to the statement of the managers accompanying the conference report on the Department of Defense Appropriations Act for Fiscal Year 1994 (H. Rept. 103-339). The Senate report noted that \$50.0 million of the funds requested for the Army would be excess to termination requirements, and recommended a similar reduction.

The conferees believe that the capability promised by TSSAM is important for use in future conflicts. However, the conferees, adhering to a "fly-before-buy" philosophy, believe that the Air Force budget should reflect the current testing delays. The conferees recommend no missile procurement funds in fiscal year 1995, which will delay production until testing can demonstrate the expected performance and reliability.

The conferees agree to provide \$20.0 million to fund the latest estimate of Army program termination costs, \$66.7 million in Navy research and development funds to continue Navy participation in the program, and \$218.6 million in Air Force research and development funds to support a restructured TSSAM development program.

The conferees are well aware of the technical problems that continue to plague the TSSAM program. Moreover, the conferees are disappointed with the overall management of the program.

Therefore, the conferees recommend a budget for TSSAM that would implement a plan proposed by the Air Force to restructure the development program in several ways:

- (1) cancel production of the CEB variant missile;
- (2) complete the engineering and manufacturing development of the CEB and unitary warhead variants of the missile;
- (3) convert existing operational test assets to conduct additional developmental testing; and
- (4) purchase 15 additional unitary warhead missiles to conduct operational testing with more "production representative" missiles.

Although this restructuring will delay production, additional testing will also provide more confidence in the Air Force's assessment that the improvements in various program management indicators are yielding results in improved flight reliability. The conferees believe that any restructuring should:

- (1) protect the government's rights to hold the contractor team accountable for performance;
- (2) provide additional work to hold the contractor team together until procurement of the unitary warhead variant of the missile can begin; and

(3) allow the contractor team to demonstrate that the team has been able to solve the process control problems that have plagued the program.

The Secretary of the Air Force is directed to implement the restructured development program described above in a manner that: (1) contractually provides for any increased scope of work independent of the current scope of work, and (2) preserves all rights the government may have under current contracts for the TSSAM program.

The conferees are interested in delaying production only so long as is required to demonstrate performance. The conferees direct the Air Force to implement this restructured program and provide the funds necessary to carry out the plan in the Future Years Defense Program.

Microencapsulated phase change materials

The budget request contained no funding for microencapsulated phase change materials (micro PCM).

The Senate bill contained no funding for micro PCM.

The House amendment would authorize an additional \$1.0 million to continue micro PCM research in the Air Force.

The House recedes. The conferees, however believe that micro PCM innovative technology worth pursuing and would allow the Air Force to reprogram funds within its allotted funding to support micro PCM research in fiscal year 1995.

RESEARCH AND DEVELOPMENT, DEFENSE-WIDE

Overview

The budget request for fiscal year 1995 contained an authorization of \$9,416.9 million for Defense-wide research, development, test and evaluation. The Senate bill would authorize \$9,322.3 million. The House amendment would authorize \$9,054.2 million. The conferees recommend authorization of \$9,185.6 million, as delineated in the following table. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

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DODDS Director's fund for science, mathematics and engineering

The budget request contained no funds for the DODDS Director's fund for science, mathematics and engineering.

The Senate bill would provide \$20.0 million for this program from the funds authorized for PE 61103D.

The House amendment contained no funds for this program.

The House recedes.

Computer-assisted education

The budget request contained no funds for computer-assisted education.

The Senate bill would provide \$20.0 million for computer-assisted education from the funds authorized for PE 61103D, and \$2.0 million from each of the following program elements: PE 61102A, PE 61553N, and PE 61102F.

The House amendment contained no funds for this program.

The House recedes. The conferees direct the Department of Defense to conduct the competition called for in the Senate report (S. Rept. 103-282).

Center for Adaptive Optics

The budget request included \$232.492 million in PE 61103D for university research initiatives (URI).

The Senate bill would authorize the requested amount.

The House amendment would provide an additional \$5.0 million to complete the university research initiative for the technology transfer of adaptive optics that was initiated in fiscal year 1993.

The conferees recommend \$234.992 million for URI, of which \$5.0 million shall be for the Center for Adaptive Optics.

Telemedics

The budget request contained no funding for telemedicine.

The Senate bill would authorize \$20.0 million for telemedicine in the following amounts: \$10.0 million in the Army in PE 63002A; \$5.0 million in the Air Force in PE 63231F; and \$5.0 million in the Navy in PE 63706N.

The House amendment would provide \$5.0 million in PE 62301E for telemedicine.

The House recedes. The conferees agree that the Director of Defense Research and Engineering should report to the Committees on Armed Services of the House of Representatives and the Senate in accordance with the direction on telemedicine reporting contained in the House report (H. Rept. 103-499). The conferees agree that any funds needed to accomplish the ARPA coordination called for in the House report shall come from PE 62301E.

Software reuse and technology transfer

The budget request contained \$93.7 million for research on intelligence systems and software, including software reuse, in PE 62301E.

The Senate bill would authorize \$7.5 million in this program element for software reuse.

The House amendment did not contain a similar authorization for software reuse.

The House recedes.

The conferees recommend that \$7.5 million be authorized for the software reuse project as described in the Senate report (S. Rept. 103-282).

Simulation-based design

The budget request contained \$111.3 million for PE 62702E, tactical technology.

The Senate bill would authorize the requested amount.

The House amendment would authorize an additional \$15.0 million for acceleration of simulation-based design technology.

The conferees agree to authorize an additional \$5.0 million to the Advanced Research Projects Agency (ARPA) tactical technology program for simulation-based design.

Material and electronics technology

The budget request contained \$224.828 million for materials and electronics in PE 62712E.

The Senate bill would authorize an additional \$17.0 million in PE 62712E for continuous fiber metal matrix composites.

The House amendment would authorize an additional \$19.125 million in PE 62712E for synthetic diamond, cryoelectronics, and microballoon technology.

The conferees agree to authorize an increase of \$18.0 million in PE 62712E. Of the amount authorized, \$17.0 million is for continuous fiber metal matrix composites; \$8.0 million is for chemical vapor deposition (CVD) and chemical vapor composite (CVC) synthetic diamond; \$1.0 million is for mercury cadmium telluride (MCT); \$4.0 million is for microballoon technology; and \$2.0 million is for aluminum beryllium alloys to meet military and commercial applications as recommended by the House amendment.

Defense Nuclear Agency

The budget request contained \$231.978 million for research and development at the Defense Nuclear Agency (DNA).

The Senate bill would authorize \$254.5 million for the Defense Nuclear Agency, an increase of \$22.5 million over the requested amount.

The House amendment would authorize \$228.0 million, a reduction of \$4.0 million from the requested amount.

The conferees recommend \$230.978 million for DNA.

The House report (H. Rept. 103-499) and the Senate report (S. Rept. 103-282) both discussed the electrothermal gun program. The conferees direct that this program be carried forward with a goal of an end-to-end demonstration of long range gunfire in accordance with the memorandum of agreement between DNA and the Navy, and that the program be carried out on a sound technical basis.

The conferees also recommend a \$3.0 million increase to the requested amount for DNA operation and maintenance for the nuclear test personnel review (NTPR) program, which will fund the increased workload resulting from the Administration's interagency effort studying the conduct of radiation research on humans.

Joint DOD/DOE munitions technology development

The budget request contained \$14.4 million for the joint DOD/DOE munitions technology development program.

The House amendment recommended an increase of \$12.0 million to the requested amount.

The Senate bill recommended the requested amount.

The conferees recommend a total authorization of \$22.915 for the program. The additional funds will permit an expansion of ongoing DOD/DOE efforts in the development of innovative warhead, explosive, and fuze technologies that improve the capability and safety of conventional munitions, and develop and demonstrate environmentally-compliant processes for the

demilitarization and disposal of unserviceable, obsolete, or non-treaty-compliant weapons. The conferees believe that the increased program will significantly benefit efforts to address the growing backlog of munitions awaiting demilitarization and disposal.

Fuel cells

The budget request contained funds for fuel cell research but no funding for further development of the molten carbonate direct fuel cell power plant demonstration.

The Senate bill would provide an additional \$8.0 million for fuel cell research.

The House amendment would provide \$5.0 million for the molten carbonate direct fuel cell power plant demonstration.

The Senate recesses.

Experimental evaluation of major innovative technologies

The budget request contained \$609.3 million for the experimental evaluation of major innovative technologies (EEMIT).

The Senate bill would reduce the requested amount by \$12.0 million.

The House amendment would increase the requested amount by \$3.7 million.

The conferees agree to an authorization of \$636.1 million, which includes \$5.0 million for fuel cells, \$5.0 million for deep ocean relocation, \$8.0 million for multi-function, self-aligned gate antenna development, \$16.8 million for the virtual brigade, and a reduction of \$20.0 million for the transfer of ASTOVL to the joint advanced strike technologies (JAST) program.

The conferees note that this is the second year that the conferees have authorized additional funding for the virtual brigade initiative. The conferees agree that this is the last year that the Armed Services Committees of the Senate and House of Representatives will add funds for this program. If the Department of Defense and the Army want this program to continue, they will have to include funding for it in future budget requests.

Thermophotovoltaic technology development

The House amendment would authorize an additional \$2.0 million in PE 63226E for development and test of a prototype of a thermophotovoltaic (TPV) electric generator as a power source for use in unmanned underwater vehicles.

The Senate bill contained no similar funding.

The Senate recesses.

The conferees are aware of ongoing efforts in the Advanced Research Projects Agency to develop TPV technology and demonstrate an efficient TPV system. The conferees encourage the agency to continue its efforts with the National Aeronautics and Space Agency to develop and demonstrate competing TPV technologies and to program additional funds for this purpose.

Advanced submarine technology

The budget request included \$25.3 million for the advanced submarine technology program.

The Senate bill would approve the requested amount.

The House amendment would approve an additional \$17.0 million for the following programs:

- (1) \$5.0 million for an advanced structural control program for developing technologies to control active vibration and noise;
- (2) \$2.0 million to evaluate the programmable automated welding system (PAWS) and the welding expert manufacturing cell (WELDEXCELL) systems;
- (3) \$2.0 million for the advanced thermo-photovoltaics program; and
- (4) \$8.0 million for an airborne multi-sensor integration demonstration.

The conferees agree to provide \$7.0 million for the advanced structural control (ASC) program and \$2.0 million for the automated welding program. The conferees recommend additional guidance on the advanced thermo-photovoltaics program in the section of the statement of the managers dealing with the experimental evaluation of major innovative technologies (EEMIT) program.

The conferees intend that the additional \$7.0 million for ASC be applied to (1) accelerate the demonstration of applying ASC chatter and vibration control for high speed, high precision machining and milling operations, and (2) begin the technology transfer process for bringing technology for actively controlling machinery platforms that has been demonstrated in the ARPA project M to the United States.

The conferees intend that the \$2.0 million for automated welding technology be used to accelerate efforts for a coordinated, cooperative test of the capabilities that may be provided with the PAWS and WELDEXCELL technologies. The conferees agree that the Department should seek early transfer of advanced automated welding technologies to industry to take advantage of the cost benefit for naval ships and to enhance commercial welding competitiveness. The conferees agree that using appropriate technologies from the PAWS and WELDEXCELL programs is essential to establishing a performance baseline, generating technical information for possible future funding, and promoting rapid insertion into the user community through technology demonstrations and dissemination of technical information.

Fire protection technology

The conferees endorse the section of the Senate report (S. Rept. 103-282) that would urge the Department of Defense to provide strong central leadership to promote fire protection and fire fighting technology. The conferees share the Senate's concern that the Department of Defense has put little emphasis on R&D for fire protection. For instance, \$250,000 appropriated for fiscal year 1994 to explore the possibility of a permanent fire protection center of excellence has not been released for obligation.

The committee is convinced that there is a pressing need for new technology for fire protection. Modern weapons have tremendous armor piercing and incendiary capability, but military personnel are still clothed in polyester uniforms and synthetic shoe materials that melt and burn. Most fire victims die from inhalation of smoke and toxic gases, yet the Navy oxygen breathing apparatus, designed in 1936, is still in service and is still difficult to use.

The development, testing, validation, and qualification of new fire resistant materials is unbearably slow and unwieldy. Technical information, data, specifications, standards, codes, and regulations appear to be in conflict and are not kept up to date.

The committee endorses the approach on fire protection technology contained in the House report (H. Rept. 103-200) on the House bill, H.R. 2401, the National Defense Authorization Act for Fiscal Year 1994. The conferees urge the Department to make available the funds appropriated for this project in PE 63226E in fiscal year 1994.

MARITECH

The conferees agree that of the amounts authorized to be appropriated for the MARITECH project in the Advanced Research Projects Agency (ARPA), \$10.0 million shall be available for curved plate technology.

ARPA manufacturing technology

The budget request contained \$346.1 million for ARPA manufacturing technology.

The Senate bill would authorize an additional \$25.0 million for advanced lithography and for the Institute for Advanced Flexible Manufacturing Systems.

The House amendment would authorize an additional \$72.2 million for advanced lithography and for coronary angiography.

The conferees agree to authorize an additional \$56.2 million for ARPA manufacturing technology: \$50.0 million for advanced lithography for a total for lithography of \$60.0 million, \$2.2 million for coronary angiography, and \$4.0 million for the Institute for Advanced Flexibility Manufacturing Systems.

Advanced concept and technology demonstration (ACTD) program

The budget request contained \$50.0 million for the advanced concept and technology demonstration (ACTD) program.

The Senate bill would provide \$50.0 million in PE 63750D for the ACTD program.

The House amendment recommended a reduction of \$25.0 million in the requested amount, because of a need to gain an understanding of the program plans for the individual technologies and advanced development projects selected for the ACTD program.

The conferees strongly endorse the views expressed in the House report (H. Rept. 103-499) on the value of the ACTD initiative. By involving the material developer and the military operational user in the development and demonstration of emerging advanced technologies and, when appropriate, fielding the newly demonstrated capability in limited numbers, ACTD can improve understanding of the military utility of the technology, validate operational concepts for the technology's use in the field, and break the lock-step of the traditional acquisition process. In this way, the development and fielding of new advanced technologies of proven military operational utility would be accelerated.

Because of the limited funding for the ACTD initiative recommended by the Appropriations Committees of the Senate and House of Representatives, the conferees agree to an authorization of only \$19.1 million for the ACTD initiative. The conferees believe, however, that a higher funding level is both justified and required to capitalize on the ACTD initiative and would consider authorizing a higher amount, should the Appropriations Committees so recommend in their conference on the fiscal year 1995 defense appropriations bill.

Physical security equipment

The budget request contained \$21.409 million for physical security equipment.

The Senate bill would authorize the requested amount.

The House amendment would authorize an additional \$7.5 million for robotic-related equipment.

The House recedes.

The conferees agree to authorize \$3.479 million for a physical security vehicle in the physical security equipment line (PE 63228D) instead of in the Army's light tactical wheeled vehicles line (PE 64642). If a new physical security vehicle is approved by the Secretary of Defense and Congress, it should satisfy the needs of all the services.

The conferees are concerned, however, about a new armored vehicle intended only for physical security forces, including the military police. The conferees do not agree with the levels of protection that have been determined to be required for the Army's proposed armored security vehicle (ASV) and are not convinced that security forces, including military police, need a new vehicle with armor protection levels which exceed those available to scout platoons of tank and mechanized infantry battalions.

The conferees direct that not more than \$1.0 million of the \$3.479 million provided for the physical security vehicle may be obligated until 30 days after the Secretary of Defense submits to the congressional defense committees a cost and operational effectiveness analysis (COEA) justifying a new start for a separate, dedicated armored security vehicle. The COEA shall consider the need for security forces to have such a vehicle; the requirements of all the services; the potential threats that such security forces would most likely face; and all alternative vehicles currently in the Department of Defense inventory which could possibly fill the role of such a security vehicle, including the Bradley fighting vehicle, the M113 armored personnel carrier, the light armored vehicle, and current and upgraded versions of the armored high mobility multipurpose wheeled vehicle. The COEA shall thoroughly scrutinize ASV requirements for ballistic protection, specifically those against .50 caliber rounds and artillery fragments at close ranges.

Environmental technologies

The budget request included \$15.0 million for innovative environmental security technology.

The Senate bill would authorize the requested amount.

The House amendment would authorize an additional \$10.0 million.

The Senate recedes.

Acquisition and exploitation of foreign technology and material

The budget request contained \$49.9 million for the foreign material acquisition and exploitation (FMA&E) program.

The Senate bill and House amendment approved the requested amount.

The House report (H. Rept. 103-499) requested a report by July 1, 1994, on the foreign materiel and technology activities of the Department of Defense. In addition, the classified annex accompanying the Senate report (S. Rept. 103-282) requested answers from the Secretary of Defense and the Director of Central Intelligence to questions concerning foreign technology and acquisition prior to the conference on this act. The Administration's response reflects progress towards meeting essential national requirements.

The conferees are persuaded that elements of the FMA&E and related programs are underfunded and that there are significant management and coordination problems within these programs. The conferees are prepared to support additional funding, subject to normal reprogramming procedures, provided that progress is evident in solving these problems. The conferees also agree that particular attention should be given to funding the advanced technology acquisition program in order to sustain it at least at the fiscal year 1994 level. Additional guidance is contained in the classified annex to this statement of the managers.

Tactical unmanned aerial vehicles

The budget request included \$121.0 million for research and development and \$225.3 million in procurement for short-range and maneuver-variant unmanned aerial vehicles (UAVs).

The Senate bill would authorize the requested amount.

The House amendment would authorize \$85.7 million for R&D, delete the funds requested for the maneuver-variant UAV, authorize the development of a down-sized ground station,

authorized an additional \$7.0 million for the integration of the common automatic recovery system (CARS) with Pioneer UAVs, and authorize the requested amount in procurement.

The short-range UAV program was recently restructured. The low-rate initial procurement was reduced from seven systems to four, and the Defense Airborne Reconnaissance Office (DARO) has requested authority to apply the savings to a system maturation program and to adapting the UAV to Navy ships.

The conferees approve \$23.3 million for short-range UAV system maturation and \$14.5 million for system testing and evaluation, but deny \$30.6 million in procurement for the shipboard-variant. The conferees authorize up to \$5.0 million in RDT&E to begin development of a shipboard-variant. The conferees fully support this development but believe that the program office should prove that the basic system is mature before developing variants.

The conferees also deny \$21.1 million of the requested amount for the maneuver or close-range UAV system. The conferees recognize that the Marine Corps and Army have agreed on their requirements. However, the cost and operational effectiveness analysis (COEA) has not been completed and sent to Congress, and the conferees are not convinced that a separate UAV system is required to meet the Army-Marine Corps requirements. The conferees direct the DARO to review the COEA and undertake other analysis, as appropriate, to determine whether (1) the maneuver UAV would overburden brigade- and regiment-level logistics; (2) rapidly advancing brigades would "outrun" the maneuver UAV in terms of range, endurance, and ground support; (3) additional short-range systems at the division level to support brigades and regiments would make more operational sense; and (4) a short-range UAV solution would really be more expensive than the proposed maneuver system. This analysis should be completed and transmitted to the congressional defense committees as soon as possible, but no longer later than the submission of the fiscal year 1996 defense budget request. The conferees would be willing to consider a reprogramming request after the fiscal year 1996 budget is submitted to Congress.

The conferees agree to authorize an additional \$7.0 million in RDT&E for the procurement of at least three unit sets of CARS equipment for integration and testing on the Pioneer UAV, but only if the equipment can be applied later to the short-range UAV system when Pioneer is retired.

Stabilized weapons platform system

The budget request included \$9.6 million for development of a stabilized weapons platform system (SWPS) for the special operations patrol coastal ship.

The Senate bill and the House amendment approved the requested amount.

After the Senate and House of Representatives each approved the defense authorization bills for fiscal year 1995 (S. 2182 and H.R. 4301), the U.S. Special Operations Command informed the Armed Services Committees that it had decided not to develop the SWPS system any further. Instead, the Command intends to procure a less costly, stabilized, non-developmental gun system and to develop a surface-to-surface missile system. In response to this new plan, the conferees agree to reallocate \$7.9 million of the requested amount of \$9.6 million for the procurement of a gun system. Because the Department of Defense Appropriations Act for Fiscal Year 1995, as passed by the Senate and House of Representatives, does not contain funds to develop the missile system, the conferees do not recommend funds for that purpose.

The Command's decision to discontinue development of the SWPS system is a realistic recognition of the limited funds that are available for this capability. The conferees are concerned that the Command's plans for developing a surface-to-surface missile may still be too ambitious and costly. The conferees urge the U.S. Special Operations Command to carefully consider the technology and money that are available for a weapons system for a ship of the size and capabilities of the patrol coastal ship.

Ocean research

The budget request contained no funds for ocean research.

The Senate bill would provide \$5.0 million for ocean research in the experimental evaluation of major innovative technology account (PE 0603226E).

The House amendment would provide no funds for ocean research.

The conferees agree to provide \$5.0 million for ocean research from the funds authorized in PE 0603226E. These funds would be provided to establish a data base to understand the environmental ramifications of potentially harmful materials that have been deposited, dumped, or lost in the world's oceans in significant quantities. Part of this effort should include development of a process to monitor the uncertain or unknown effects of hazardous and non-hazardous contaminants on the marine environment.

Rocket motor demilitarization

The budget request contained no funds for rocket motor demilitarization.

The Senate bill would provide \$4.5 million for PE 604704D to evaluate and test the environmentally-sound demilitarization of large rocket motors and other high energetic explosives at the Nevada Test Site (NTS).

The House amendment would provide \$4.5 million.

The conferees provide \$4.5 million for PE 604704D to evaluate and demonstrate methodologies and technologies for the environmentally-sound demilitarization of high energetic explosives at the Nevada Test Site. These efforts should include an evaluation of the possibility of using the inactive tunnels at the NTS.

Joint service imagery processing system

The budget request included \$22.4 million in RDT&E and \$47.6 million in procurement for the joint service imagery processing system (JSIPS).

The Senate bill would consolidate service funding for the restructured JSIPS initiative by authorizing \$28.3 million in RDT&E and \$41.7 million in procurement in the Defense Airborne Reconnaissance Office (DARO).

The House amendment would withhold \$28.7 million from Marine Corps JSIPS procurement and \$8.3 million from Army JSIPS development until a plan is submitted that better defines the capabilities of JSIPS alternative systems.

The House recedes.

The conferees, however, remain concerned about the Marine Corps proposal that maintains existing acquisition procedures through the Air Force joint program office. The conferees direct DARO and the Marine Corps to take maximum advantage of Navy JSIPS development, commercial off-the-shelf (COTS) technology, and DARO-approved streamlined acquisition practices.

The conferees direct DARO to report to the congressional defense and intelligence committees on the restructured JSIPS program elements prior to obligation of funds for each element. DARO also should report on the overall architecture and operational concept by March 1, 1995.

Multispectral imagery

The budget request included no funds for developing multispectral imaging sensor systems for airborne reconnaissance.

Both the Senate report (S. Rept. 103-282) and the House report (H. Rept. 103-499) directed the Defense Airborne Reconnaissance Office (DARO) to continue development of new multispectral imaging capabilities. Both reports also recommended use of unobligated Landsat funds for this purpose.

The conferees strongly support continued modernization of the U-2 aircraft, including its imaging capabilities. The Department of Defense recently terminated a development program for a high-performance and very expensive new multi-spectral imaging sensor for the U-2. The conferees recently learned that the existing U-2 electro-optical sensor could have been upgraded to achieve most of the capabilities of the terminated sensor at a very small fraction of the cost. The conferees cannot comprehend the reasons for not presenting this option to Congress years ago before hundreds of millions of dollars were wasted on the terminated program.

The conferees authorize \$10.0 million to begin developing an upgraded, multispectral sensor for the U-2 (SYERS). The conferees direct the DARO to develop a prototype sensor that can be adapted for operational use, and then to upgrade the existing four sensors and associated ground station functions. The conferees expect the total program cost to be about \$60.0 million. The conferees direct the Department to include funds for continuation of this effort in the fiscal year 1996 budget submission.

Cobra Ball upgrade

The budget request contained no research and development funding for the RC-135 Cobra Ball program.

The Senate bill contained no funding for the program.

The House amendment contained \$13.646 million in PE 35154D for the infrared acquisition array.

The conferees recommend \$13.6 million to upgrade the active ranging system, infrared acquisition sensor, and data processing capabilities. Enhancement of these capabilities is essential in order to provide adequate standoff range for collection of information on short-range ballistic missile systems and to provide data fusion for onboard sensors. The conferees request the Department to provide a report to the congressional defense committees on its plans and future funding for the Cobra Ball program.

C31 intelligence program

The budget request included \$16.0 million for a classified counterproliferation computer database system in PE 0305190D.

The Senate bill would deny authorization of the requested amount.

The House amendment would authorize \$16.0 million for the program.

The conferees concur with the Senate position as described in the Senate report (S. Rept. 103-282). The conferees support cooperative counterproliferation efforts between the Defense Department and the intelligence community. However, the conferees are seriously concerned about the proposed counterproliferation database system. From a technical perspective, it is an interesting and promising proposal; however, there are major coordination and funding problems. This program is described as a joint national foreign intelligence program (NFIP)/tactical intelligence and related activities (TIARA) endeavor. However, with the exception of \$4.0 million for general database development, funds for this program were not included in the fiscal year 1995 NFIP budget submission. The conferees also understand that NFIP agencies are reluctant to commit funds without a formal cost-sharing agreement on future funding because of the project's large operation and maintenance costs. This raises questions about the ability of the community to fully fund this program in its current configuration and the advisability of undertaking such an ambitious project as a pilot program.

The conferees also are concerned that a program of this magnitude has not competed with other intelligence community and defense intelligence systems in the intelligence systems board (ISB) system migration process. As a result, at this time, the conferees believe that a financial

commitment is not appropriate and deny authorization of the amount requested for this system. The conferees note that this recommendation is made without prejudice and encourage DOD to submit a reprogramming request once specific conditions are met.

The conferees direct the intelligence and communications architectures (INCA) project office, in cooperation with the ISB, to compare current major databases and software capabilities of intelligence community members, military service laboratories, and Department of Energy national weapons laboratories, with the capabilities of the proposed project. The report shall include the following: an assessment of the technical feasibility of the proposed project; an assessment of the feasibility of implementing the proposed project; a proposed plan that would include program plan strategy, milestones, and future funding requirements; an evaluation of the practical aspects of database linkage between existing capabilities of the intelligence community and appropriate nonproliferation and counterproliferation offices within the U.S. government; and an evaluation of the effect of the new program on systems included in ongoing intelligence migration strategies and activities.

As a show of good faith, the conferees make available in section 1504 of this act \$4.0 million in the research and development, defense agencies account for counterproliferation agencies. The conferees would limit the obligation and expenditure of these funds until the following conditions are met: the report described above is submitted to the congressional defense and intelligence committees; the ISB has determined that this system is consistent with its developing architecture and that it conforms with community standards for compatibility and interoperability; and a formal cost-sharing agreement between the NFIP and TIARA is reached, which includes sources and future funding. Lastly, the conferees would require that any reprogramming request for this program be matched dollar for dollar by a reprogramming request within the NFIP, or DOD may release the funds for other counterproliferation activities. A parallel provision for NFIP funding will be included in the Intelligence Authorization Act for Fiscal Year 1995, along with an amount of funds to be limited.

Central test and evaluation investment program

The budget request included \$115.318 million for the central test and evaluation program in PE 64940D.

The Senate bill would reduce the requested amount by \$15.0 million and recommend that the REDCAP-ACETEF real-time data link program continue to be funded within the authorized funds.

The House amendment would provide an additional \$3.5 million for the REDCAP-ACETEF real-time data link.

The House recedes.

Animal research

The House report (H. Rept. 103-499) noted that the Department of Defense Inspector General found two DOD facilities, the U.S. Army Medical Department Center and School in San Antonio, Texas and the U.S. Naval Medical Research Institute Detachment in Lima, Peru, to be "not substantially in compliance" with DOD regulations and the Animal Welfare Act. Based on that finding, the House report directed the termination of animal research at the non-complaint facilities until they are accredited by the Animal Association for Accreditation of Laboratory Animal Care (AAALAC).

The conferees note that since the House report was issued, DOD has applied for AAALAC accreditation for the two noncompliant facilities. The conferees applaud the Department's expeditious efforts to gain accreditation for these facilities, and direct the termination of animal use at these facilities one year from the enactment of this act only if they have failed to achieve AAALAC accreditation by that date. The conferees urge DOD to seek AAALAC accreditation for all DOD animal facilities as expeditiously as possible. The conferees note that the other sections relating to animal research in the House report are not affected by this paragraph.

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Strategic environmental research and development program (sec. 203)

The Senate bill contained a provision (sec. 203) that would authorize \$170.0 million for the strategic environmental research and development program (SERDP).

The House amendment would authorize \$111.9 million for the SERDP.

The Senate recedes to the House funding level.

The conferees are pleased that the new executive director of the SERDP is now in place. The conferees urge the director and the chair of the SERDP Council to bring into the SERDP program, using the hiring authority provided to the SERDP Council in the National Defense Authorization Act for Fiscal Year 1994, those persons necessary to run the program, either from within the Defense Department or from outside. The conferees urge the Council to coordinate the SERDP program to demonstrate and test environmental technologies closely with the environmental technology program funded in the office of the Deputy Under Secretary of Defense for Environmental Security.

Molecular design material science (sec. 204)

The budget request contained no funds for molecular design material science (MDMS).

The Senate bill contained no funds for MDMS.

The House amendment would provide \$10.0 million in PE 61153N to continue the MDMS program.

The conferees agree to authorize \$10.0 million for MDMS in PE 61153N and recommend a provision that would continue the program.

Space launch programs (sec. 211)

The Senate bill contained a provision (sec. 213) that would transfer prior-year funds appropriated for single-stage-to-orbit (SSTO) rocket technology from the Department of Defense to the National Aeronautics and Space Administration (NASA), since the Secretary of Defense submitted a report recommending that NASA be assigned lead responsibility for developing reusable rocket technology. The Senate bill would authorize no funds for reusable rocket technology for fiscal year 1995 and would authorize a total of \$20.2 million for expendable rocket technology development.

The House amendment contained a provision (sec. 211) that would (1) establish DOD space launch policy; (2) require the Secretary of Defense to replace current launch systems, conduct flight tests by 1998 of reusable launch vehicles, and conduct flight tests of expendable launch vehicles; and (3) authorize \$200.0 million, equally divided, for reusable and expendable rocket technology demonstrations.

The Senate recedes with an amendment.

The conferees agree to (1) authorize no funds for the national launch system program; (2) authorize \$10.0 million in PE 62601F to continue concept development of simple, inexpensive expendable rocket systems that do not require complex turbo machinery; (3) transfer prior-year SSTO funds from the Advanced Research Projects Agency to the Air Force PE 63401F and note that these funds would not be for further development of the "Delta Clipper" vehicle built by BMDO; (4) authorize \$30.0 million for the Air Force in PE 63401F to initiate reusable rocket technology development efforts, with the stipulation that DOD obligations shall not exceed amounts made available by NASA for such efforts for fiscal year 1995; (5) authorize \$50.0 million for the Air

Force in PE 35119F to initiate a competitive program to replace existing launch capabilities; and (6) limit the obligation of funds for both reusable and expendable rocket programs until coordinated DOD/NASA program plans are submitted to Congress.

The National Defense Authorization Act for Fiscal Year 1994 required the Administration to conduct another study of space launch capabilities, because Congress was unsatisfied by the space launch Bottom-Up Review, which concluded that acknowledged problems with current systems are not serious enough to warrant displacing other defense programs. The new study has resulted in the development of new national policy in this area. This policy assigns lead responsibility for reusable and expendable space launch vehicles to NASA and DOD, respectively. NASA has been instructed to determine by 1996 whether a reusable vehicle flight demonstration program is feasible and affordable, and by the end of the decade, whether a development program should be pursued. The Deputy Secretary of Defense is examining again whether a new launch initiative is warranted and affordable within the Department of Defense.

Accordingly, the conferees direct that the Department of Defense will not lead any government-financed reusable space vehicle flight demonstration or acquisition programs, at least until the Administration changes its policy. However, if the Department of Defense decides to conduct a competition to replace current DOD launch capabilities, and if DOD concludes that an industry proposal to build a reusable system to meet requirements is realistic, affordable and cost-effective, the conferees will consider a well-justified acquisition plan.

The conferees doubt that DOD can afford to finance any expensive space launch acquisition program. The conferees are aware of claims that the private sector is willing to finance all or most of a new capability. The conferees encourage DOD to explore such claims. However, the conferees expect that such proposals would require commitments from the government, which may entail substantial risk, and therefore require careful consideration by Congress and the Administration.

Standoff air-to-surface munitions technology demonstration (sec. 212)

The House amendment included a provision (sec. 212) that would require the Navy and the Air Force to spend up to \$2.0 million each to demonstrate non-developmental technology for adapter kits that would give munitions in the 1,000 pound class and smaller a standoff and near-precision guided capability. The provision would also require the Secretary of Defense to submit a report on the results of that demonstration.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would authorize up to \$2.0 million for the Air Force to conduct a demonstration as outlined in the House provision. This provision would require the Secretary of the Air Force to report on the demonstration's results.

Mid-infrared advanced chemical laser (sec. 213)

The House amendment contained a provision (sec. 213) that would prohibit the Secretary of Defense from carrying out a test of the mid-infrared advanced chemical laser (MIRACL) transmitter and associated optics against an object in space during 1994 unless such testing is specifically authorized in law.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would allow the sealite beam director to be utilized with a laser other than the MIRACL for satellite sensor calibration and imaging of space objects at a power level not to exceed that which has been utilized for these purposes as of January 1, 1994 at

other Department of Defense laser facilities (including Kirtland Air Force Base, Maui Optical Facility, and the Firepond facility of the Lincoln Laboratory). The conferees reiterate their opposition to utilization of the MIRACL for damaging objects in space. This provision would continue to prevent MIRACL from illuminating any object in space.

Electronic combat testing (sec. 214)

The House amendment contained a provision (sec. 214) that would amend section 220 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160) by limiting the applicability of the section to electronic combat systems that have been designated as Acquisition Category I (ACAT 1) systems (major defense acquisition programs) because of their cost of development and acquisition.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would limit the applicability of the House provision to those systems that have not entered engineering and manufacturing development by September 1, 1994. The amendment would also authorize the Secretary of Defense to waive the provision when in the national security interest.

Advanced self protection jammer (ASPJ) program (sec. 215)

The House amendment contained a provision (sec. 215) that would direct the Secretary of the Navy to carry out logistics support, maintenance, and integration of existing advanced self protection jammer (ASPJ) systems in the F-14D aircraft for testing and evaluation.

The Senate bill contained no similar provision.

The Senate recedes. The conferees note that, without ASPJ or another currently unavailable system, F-14D aircraft will have to operate without self protection jamming. The conferees understand that the Director, Operational Test and Evaluation, intends to assess whether the Navy's plans for operational test and evaluation for the F-14D aircraft adequately test the ASPJ system's effectiveness and suitability for combat. The conferees agree that this assessment should be complete before the Navy conducts the operational testing. The conferees urge the Director to take the steps necessary to expedite his assessment of the Navy's plans.

Advanced lithography (sec. 216)

The budget request contained \$10.0 million in PE 63739E for advanced lithography.

The House amendment contained a provision (sec. 216) that would provide a statutory mandate for the ARPA advanced lithography program and authorize \$100.0 million for the program.

The Senate bill contained no similar provision, but would provide \$35.0 million for advanced lithography.

The Senate recedes with an amendment. Total funding for the ARPA lithography program would be authorized at \$60.0 million, and the SEMATECH Board of Directors would be strongly encouraged to spend at least \$10.0 million more to support lithography efforts consistent with the Semiconductor Industry Association 1994 development plan for lithography. The conferees urge the earliest possible appointment of the Semiconductor Technology Council and agree that an advanced lithography plan should be the principal focus of the Council's initial efforts.

Federally funded research and development centers (sec. 217)

The Senate bill contained a provision (sec. 216) that would require certain changes in DOD management of federally funded research and development centers (FFRDCs).

The House amendment contained a provision (sec. 217) that would allow FFRDCs to participate more fully in the defense conversion program.

The conferees note that federally funded research and development centers are privately-operated organizations sponsored by federal government agencies to work in all areas of basic or

applied research. For several years, the conferees have expressed concern about the Defense Department's lack of control over management and funding of the FFRDCs. The conferees support the unique role that FFRDCs play in providing support to the Department of Defense that would be difficult to obtain through other means. The conferees are concerned, however, that as recipients of sole source funding from the Department of Defense, these centers may provide executive, technical, and professional compensation that may exceed the salaries and benefits of comparable government employees, or officers and employees of similar for-profit or non-profit organizations that must compete for defense work.

These concerns have been heightened recently by revelations of executive compensation that varies widely from FFRDC to FFRDC, housing and moving allowances not appropriate to federal institutions, and payments to trustees that do not appear to be justified. Further, the Congress has learned that some centers have contributed to charities, local governments, universities, and individuals. Such contributions are not usually reimbursed under federal contracts, and the conferees believe, not appropriate for sole source institutions to pay from fees.

Consequently the conferees agree to a provision that would limit executive salaries and trustee compensation, prohibit certain contributions to charities, and require the Secretary of Defense to study the need for FFRDCs and the compensation levels of FFRDC executives.

The conferees agree to limit the funding for FFRDCs for fiscal year 1995 to \$1.3 billion, a reduction of \$52.650 million from the requested amount. The conferees also agree to the House provision that would authorize certain FFRDCs to respond and participate in solicitations and announcements under programs authorized by the federal government for the purpose of promoting the development and transfer of dual-use technology to the U.S. industrial sector.

Digitization (sec. 218)

The budget request contained \$75.857 million for the Army's digitization of the battlefield program.

The Senate bill would authorize an additional \$3.0 million.

The House amendment included a provision (sec. 219) that would authorize an additional \$50.0 million to begin a coordinated, integrated, planned program to provide digital enhancements for the M1/M1A2 tank and other land and air systems by 1996.

The Senate recedes with an amendment.

The conferees strongly support the Army's battlefield digitization concept and the Army's attempt to field a capability rapidly. The conferees seek to ensure, however, that the Army establishes strong management and a coherent integration plan in concert with the Marine Corps for an overall battlefield digitization architecture to guide the efforts of the various platform program offices.

Accordingly, the conferees agree to limit the obligation of funds for the digitization program until the Army defines an overall system architecture, standards and protocols, and integration and interoperability requirements.

The conferees also agree to authorize an additional \$20.0 million primarily for the integration of aviation systems into the program.

Electric and hybrid vehicle technology (sec. 219)

The budget request contained no funds for electric and hybrid vehicle technology.

The Senate bill would provide \$30.0 million for this program: \$15.0 million in RDT&E funding and \$15.0 million in procurement funding. The Senate bill also contained a provision (sec. 142) that would require the Department of Defense and the Department of Energy to enter into a memorandum of agreement regarding the execution of the program.

The House amendment would provide \$10.0 million in RDT&E funding for electric and hybrid vehicle technology. The House amendment did not contain a provision similar to the Senate provision.

The conferees agree to provide \$10.0 million in RDT&E and \$15.0 million in Procurement funding for electric and hybrid vehicle technology. The House recedes on the Senate provision. The conferees also direct the Department of Defense to execute the program in accordance with the Senate and House reports (S. Rept. 103-282 and H. Rept. 103-499).

Kinetic energy antisatellite program (sec. 220)

The Senate bill contained a provision (sec. 211) that would make \$10.0 million available for engineering development of the critical antisatellite technologies from funds authorized in fiscal year 1995. The provision would also direct the Secretary to utilize unobligated fiscal year 1993 and 1994 funds for this program.

The House amendment contained no similar provision.

The House recedes with an amendment that would make \$5.0 million available from funds authorized in fiscal year 1995, in addition to unobligated fiscal year 1993 and 1994 funds, to continue critical development work.

Limitation on dismantlement of ICBMs (sec. 221)

The Senate bill contained a provision (sec. 214) that would prohibit the dismantlement of any ICBM that would reduce the total number of deployed Minuteman III ICBMs to less than 500 missiles. The prohibition would expire 180 days after the Secretary of Defense delivers to the congressional defense committees the results of the Secretary's ongoing Nuclear Posture Review.

The House amendment contained no similar provision.

The House recedes.

Seismic monitoring research (sec. 222)

The Senate bill contained a provision (sec. 215) that would limit the obligation of funds for seismic monitoring research projects unless the projects are authorized in a plan which has been approved by the Secretary of Defense and the Secretary of Energy.

The House amendment did not contain a similar provision.

The House recedes with an amendment that would limit the obligation of funds for seismic monitoring projects which are not contained in the annual plan approved by the Presidential review group established by Presidential Decision Directive 18.

The conferees are concerned that the Defense Department's future seismic monitoring plan calls for the expenditure of hundreds of millions of dollars through the end of the century without sufficient consideration for the affordability of such an undertaking without coordinated cost-sharing agreements between U.S. government agencies and departments and without agreements on international burdensharing. The Department has not provided detailed cost estimates of the U.S. share, or that of other countries, in support of a Comprehensive Test Ban Treaty (CTBT) verification. Further, it appears that the Department has been directed to fund the majority of seismic monitoring activities of the National Science Foundation (NSF) and the U.S. Geological Survey (USGS) under the Department of Interior, in addition to providing full funding for these activities for the Air Force Technical Applications Center (AFTAC).

The conferees direct the Secretary of Defense, in coordination with the Presidential review group, to provide a report to the congressional defense committees by May 1, 1995 on the total funding required and programmed for verification of a CTBT; the amount of total funding which will

be cost-shared among departments and by other nations; and the funding and technical role that private seismic arrays and stations are intended to play in verification of a CTBT.

Superconducting magnetic energy storage (sec. 223)

Section 218 of the National Defense Authorization Act for Fiscal Year 1994 allowed the Navy to utilize certain RDT&E funds from fiscal year 1993 to continue the superconducting magnetic energy storage (SMES) program.

The conferees agree to a provision that would extend the authorization of these funds until they were expended.

Military satellite communications (sec. 224)

The Senate bill contained a provision (sec. 212) that would direct the Secretary of Defense to transfer responsibility for program management and funding for the Milstar communications satellite program from the Air Force to the Navy during fiscal year 1995.

The House amendment contained no similar provision.

The Senate recedes.

The Deputy Secretary of Defense is currently reviewing the management of DOD space programs and has assured the conferees that he intends to fundamentally reorganize it. Therefore, the conferees agree to withhold judgment on management of the Milstar program. The conferees stress the importance of improving policy oversight, avoiding the creation of a new large bureaucracy, maintaining a joint requirements process, and maintaining space program expertise within each of the services. The conferees direct the Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, to submit a report to the congressional defense committees immediately upon completion of the review. The report should fully explain all the options considered, the rationale for the option selected, and the relationship between the Secretary's proposal and the deliberations of the Commission on Roles and Missions.

The House amendment contained a provision (sec. 234) that would direct the Secretary of Defense to develop a military communications master plan that addresses the projected military communications requirements of the Department of Defense; alternate and innovative ways of meeting those requirements (including greater reliance on the commercial sector); and ways to ensure that those elements of the Department that create the demand for such communications services have an important role in paying for the provision of such services. The provision would also prohibit obligation of \$50.0 million in Milstar funding until this report is transmitted to Congress.

The Senate bill contained no similar provision.

The Senate recedes with an amendment. The conferees agree to a provision that would authorize the Secretary of Defense to use \$20.0 million of Milstar funds either for advance procurement of Milstar satellites 5 and 6 or to accelerate the advanced EHF satellite program, as determined by the Secretary of Defense.

The provision also would require the Secretary of Defense to develop a satellite communications master plan that addresses requirements and innovative ways to meet them. The provision also would require the Secretary to explore options for establishing financial incentives to ensure that communications users do not inflate requirements for which they do not have to pay.

The conferees also direct the Secretary to include in the report an assessment of a number of issues raised by the General Accounting Office (GAO) and the Senate report (S. Rept. 103-282).

A recent GAO report, "Military Satellite Communications," noted that, since Congress directed greater use of commercial satellite communications for general-purpose, unprotected communications, DOD components have drastically redefined their requirements. According to GAO, requirements for total satellite communications have almost doubled, while the proportion defined as "protected" has grown by a factor of 10. GAO notes that this shift could have occurred because protected communications, provided by dedicated military satellites, are "free" to users, whereas unprotected communications, which can be met through commercial purchases, are charged to users' operation and maintenance budgets. GAO also points out that DOD elements procure most commercial satellite communications on an ad hoc basis; the Defense Commercial Communications Office has no knowledge or control over the process. GAO believes that more central control would save substantial money.

With regard to dedicated military satellite systems, as noted in the Senate report, each has been managed separately in the past, which drives up costs and limits interoperability. All of the current systems will have to be replaced within about 10 years. The Secretary should examine options to consolidate the follow-on programs.

The conferees believe that a sustainable solution to these problems requires a fundamental change in the Department's management of satellite communications services.

The conferees believe that the Department should plan to transition to Milstar III as soon as it is practical. To this end, the conferees believe that the advanced EHF program should be structured as a technology demonstration program that relies as much as possible on the private sector. The technologies demonstrated should be directly related to the areas of greatest technical risk, particularly the antenna suite and the digital electronics processing and packaging. The conferees do not believe that any funding at this stage should be allocated to lower-risk areas such as propulsion, solar panels, or the bus structure for the payload.

Ballistic missile defense programs (secs. 231, 233, and 235)

The Senate bill contained four provisions (secs. 221-224) that would deal with ballistic missile defense issues.

The House amendment also contained four provisions (secs. 221 and 231-233) that would cover similar or related issues.

The Senate report (S. Rept. 103-282) and House report (H. Rept. 103-449) also provided extensive guidance on ballistic missile defense (BMD) issues to the Ballistic Missile Defense Organization (BMDO).

The conferees explain in the following subsections their: broad policy guidance for ballistic missile defense research, development, testing, and deployment; concerns regarding the BMDO funding proposal for fiscal year 1995 and underlying long-term plans; resolution of those concerns; decisions and recommendations on programmatic and funding issues; and additional guidance on specific matters. Specific legislative provisions contained in this conference report will be discussed in the context of this guidance.

BROAD POLICY GUIDANCE

The conferees reiterate the broad policy guidance contained in the statements of the managers (H. Rept. 103-357 and H. Rept. 102-311) accompanying the National Defense Authorization Act for Fiscal Year 1994 and the Missile Defense Act of 1991 (10 U.S.C. 2431 note).

The conferees reaffirm that their highest priority for BMDO is the rapid development and early deployment of more effective theater missile defenses (TMD) designed to meet both existing

and realistic near-term threats. In general, the conferees believe that an effective TMD capability will require a layered defense approach, using multiple systems.

In this regard, the conferees are troubled by the BMDO approach to the three follow-on TMD systems-Navy upper tier, CORPS SAM, and boost phase intercept (BPI). BMDO has structured these programs so that overall BMD funding in future years would be insufficient to support engineering and manufacturing development (EMD) for more than one of these TMD systems. Therefore, in its budget request, BMDO arbitrarily limited funding for the first two candidates, while it expanded funding for a variety of less mature BPI concepts. This funding strategy is designed to position all three candidate systems for a selection "contest" during fiscal year 1998, from which only one candidate would be selected for further development. In this area, the conferees find the BMDO strategy and funding assumptions to be flawed. In the judgment of the conferees, this approach has contributed to significantly expanded technical risk within BPI programs.

The conferees believe valid military requirements exist for each of the three follow-on TMD systems, and do not believe the natural pace of development should be either artificially delayed or unduly accelerated. The conferees further believe that a larger share of the overall BMD funding called for in the Bottom-Up Review (BUR) than BMDO apparently plans to allocate to TMD systems can be squeezed from lower priority BMDO activities in order to accelerate the development for deployment of the next generation of TMD systems.

In the statement of the managers accompanying the National Defense Authorization Act for Fiscal Year 1994, the conferees endorsed as second in priority the development of a "hedging" strategy for national missile defenses (NMD), to ensure the availability of proven, flight-tested hardware should a missile threat to the United States arise more rapidly than is currently forecast. The conferees emphasized the importance of reduced lead-times for deployment of a very limited, prototypical, defense capability on very short notice against a quantitatively limited, long-range "rogue" missile threat. In the budget request for fiscal year 1995, BMDO has proposed a series of development "epochs" for NMD hardware. Each "epoch" would emphasize further development, refinement, and cost-reduction of component technologies for NMD systems, but the BMDO proposal contains few system-level or "end-to-end" flight-test intercept demonstrations over the next several years and none during fiscal year 1995. In addition, BMDO delayed for one year the initiation of flight tests of exoatmospheric kinetic kill vehicle prototypes-a key element of an NMD system-in order to complete fabrication and launch of the midcourse space experiment. The conferees find the BMDO approach inadequate to ensure the availability of proven hardware should an unanticipated strategic missile threat emerge.

Last year the conferees agreed that BMDO should focus more funding and management attention on these higher priorities, deemphasize generic, technology-base R&D, and transfer far-term technologies back to the services and defense agencies. The conferees were disappointed that the BMDO budget proposal still devoted more than 25 percent of BMD funding to lower-priority activities. As noted above, the conferees intend to vigorously support the development of selected follow-on TMD systems, and believe this can only be done if the level of effort and funding for lower-priority programs, projects, and activities is reduced.

CONFEEE CONCERNS

NAVY LOWER TIER

The conferees note a major disparity in the Department's approach to the top priority mission of theater ballistic missile defense. Specifically, in the last year, the Department made an important decision concerning the type of warhead to be used in the Patriot PAC-3 defense system. This decision appears to undercut the Department's technical approach to the Navy's lower tier missile defense system and requires a more careful review of its priorities in theater missile defense.

The Department's senior multi-service PAC-3 review group stated unanimously "that the higher quality of protection provided by . . . hit-to-kill lethality, particularly against chemicals

submunitions and nuclear weapons . . . could provide a decisive military advantage." Further, the Department chartered an independent review group to review the Army's choice. That group upheld the Army's findings. In affirming the independent review group's findings, the Department said that "hit-to-kill lethality is fundamentally superior against theater ballistic missiles (TBMs) with mass destruction warheads during critical phases of military operations." It termed the candidate lacking a hit-to-kill warhead ". . . relatively ineffective against such threats." More recently, the Army has stated ". . . that U.S. forces would suffer too many casualties to theater ballistic missile attack as a consequence" of selecting a blast-fragmentation warhead. If there were only a blast-fragmentation warhead interceptor available and no hit-to-kill interceptor-which is the case for Navy lower tier-the Army "would seek a different solution" rather than accept the interceptor with a blast-fragmentation warhead.

The Department could hardly be more explicit about the superior lethality of hit-to-kill technology in theater missile defense. However, the conferees note that the planned Navy lower tier interceptor missile, the Standard missile block IV-A, does not use a hit-to-kill warhead. Instead, it uses the same class of warhead that was so emphatically rejected in the PAC-3 competition. The Navy's initial response to this issue was that its lower tier interceptor must also be effective in defending ships from sea-skimming cruise missile attack, against which the blast-fragmentation warhead would be effective. Yet BMDO presentations to Congress this year on the Navy lower tier made no mention of this mission. Later responses emphasized the ability of the block IV-A to cope with non-submunition (unitary) TMD threats, minimized the significance of submunition threats, and remained silent about nuclear threats.

The conferees agree with and support the Department's rationale for the selection of ERINT and its hit-to-kill warhead for the PAC-3 system. However, the conferees are concerned about this fundamental contradiction in lethality approaches between the Patriot PAC-3 and the Navy lower tier system. Accordingly, the conferees are concerned that the Navy lower tier will be unable to provide adequate protection to amphibious landing areas or ports of debarkation against "ballistic missile attacks involving weapons of mass destruction"-the Department's own words for its reasons for designating it as a core TMD program. The conferees acknowledge that the Navy faces a large and growing threat from sea-skimming, anti-ship cruise missiles. The conferees also accept the Navy's judgment that the blast-fragmentation warhead planned for the Navy lower tier system offers superior lethality against that threat. The conferees note, however, that the Navy is developing a number of existing systems and programs that address the cruise missile threat to ships. The conferees further note that, for many short-warning scenarios, the Navy lower tier system may be the only TMD system available to defend U.S. forces in landing zones and ports from the growing theater ballistic missile threat. In these circumstances, the conferees require further assurances that the Navy lower tier system, by itself, can adequately protect U.S. troops going ashore until those troops can set up and make operable additional land-based TMD defenses. The conferees are unable to determine from information provided by the Department whether the proposed Navy lower tier configuration would adequately protect against the most stressing chemical submunition and nuclear warhead threats. This concern extends to the cooperative U.S.-Israeli ARROW/ACES program, which also relies on a blast-fragmentation warhead.

Some have suggested that the Standard block IV-A interceptor could be upgraded to embody hit-to-kill capability. The conferees are mindful that the Department concluded that "there were no reasonable upgrades" to the losing missile in the PAC-3 competition "that would substantially improve its performance against weapons of mass destruction."

Other options could possibly fill the requirement, though all have uncertainties. A marinized version of ERINT or the theater high altitude area defense (THAAD) system might be possible. Moreover, accelerating the CORPS SAM program might enable expeditionary forces to take their missile defense with them as they disembarked. If Patriot PAC-3 units could be prepositioned on LHDs or other appropriate ships, protection could be established on land within a matter of hours after arrival. Other options include pre-deploying PAC-3 systems to areas of possible engagement in advance of hostilities, and restricting initial landings to regions beyond the range of hostile TBMs.

The conferees have additional concerns related to this issue that are discussed in the classified annex to this statement of the managers.

NAVY UPPER TIER

Concerns about Navy lower tier warhead lethality affect other major TMD programs. The conferees note that a significant fraction of Navy lower tier funding supports Navy upper tier development. The current Navy upper tier program does involve hit-to-kill technology, but the LEAP vehicle is incompatible with the lower tier mission. The conferees recognize that the combination of Navy lower tier and Navy upper tier may be the lowest-cost combination for sea-based TBM systems; however, they recognize it may also be the least effective. If the Navy lower tier program were to be delayed by the search for greater lethality, or canceled in favor of other options, the program cost of the Navy upper tier would increase. The Navy upper tier program is also affected by the Administration's recent proposals in the Standing Consultative Commission to clarify the ABM Treaty. Under the proposed three kilometer per second interceptor velocity limit, the performance of the Standard missile equipped with a LEAP kill vehicle may be reduced to a point at which its cost and effectiveness relative to a marinized version of THAAD would require re-examination. Both factors suggest the need for prompt and thorough re-evaluation of the cost and effectiveness of the Navy upper tier program.

FOLLOW-ON TMD SYSTEMS

BMDO is pursuing three follow-on TMD programs that address different aspects of the theater missile threat: the Army's CORPS SAM; the Navy's upper tier; and the Air Force's boost phase intercept (BPI) programs. BMDO is seeking to bring all three programs to an EMD decision in 1998. Given the lack of technological maturity of BPI, the BMDO budget request would constrain funding for both CORPS SAM and Navy upper tier and allocate greater funding for BPI than is warranted by a development program of low-to-medium technical risk-the standard the conferees have traditionally applied.

PATRIOT PAC-3 RISK REDUCTION

The conferees strongly support the PAC-3 program, and believe that adequate risk-reduction funds should be made available to hedge against possible technical difficulties during the EMD phase of the program. In the conferees' view, adequate development funding for the ERINT interceptor that was selected for PAC-3 should be provided, and, as resources permit, funds for further development of selected technologies from the multi-mode missile should also be provided as a hedge against technical problems with comparable ERINT technologies. Given the priority they attach to the Patriot PAC-3 program, the conferees accept the need for both kinds of risk-reduction efforts.

OTHER BOOST-PHASE TECHNOLOGIES

In addition to the BPI program contained in the BMDO follow-on TMD category, funds for three boost-phase intercept concepts were also included in the budget request; the BMDO space-based laser program; the Air Force airborne laser program; and the Air Force air-launched kinetic-kill boost-phase interceptors. Funds requested for these four concepts exceeded \$210.0 million. The congressional defense committees have all concluded that this level of funding is unsupportable. Clearly, the number of BPI approaches vying for scarce funds must be reduced so that significant progress can be made on one or two realistic concepts.

CONFEREE ACTIONS TO RESOLVE CONCERNS

NATIONAL MISSILE DEFENSE

The conferees agree to recommend \$400 million for the NMD program. The conferees emphasize the importance of demonstrating, on an accelerated basis, the potential effectiveness of a national missile defense system through realistic flight testing. In this regard, the conferees endorse the guidance contained in the Senate report (S. Rept. 103-282) that: "The objective [for the NMD program] should be to develop and test, as rapidly as available NMD funding will permit, a limited, 'UOES-type' capability using existing flight-qualified hardware, even though such hardware may not incorporate the latest 'state of the art' technology." The conferees direct the Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, to review the fiscal year 1996 and Future Years Defense Program (FYDP) funding and programmatic content of the BMDO NMD technology readiness program, and to make any changes necessary to ensure BMDO compliance with this guidance.

The conferees also direct the Secretary, in consultation with the Chairman, to study the BMDO plans for fielding a limited "UOES-type" NMD capability against a variety of postulated threats. Within the overall BUR funding guidance to NMD in fiscal year 1996 and throughout the FYDP, the study shall consider those programmatic changes and reallocations of funds among NMD projects within the BMDO NMD technology readiness program that would minimize the lead-time to field an adequate defense of the United States against a quantitatively limited missile threat that could emerge at the end of the years 2000, 2005, and 2010, respectively. For the purpose of the study, the Secretary shall assume that the United States would receive reliable warning of a rogue missile threat three years in advance of each date mentioned, and that appropriate budgetary adjustments to respond to the threat would be made once reliable warning had been received. For each such threat date and set of assumptions, the Secretary shall estimate the date by which effective defenses of (a) the continental United States and (b) all 50 states against a limited strategic threat could achieve a limited operating capability. The report, in both classified and unclassified forms, shall be provided to the congressional defense committees not later than March 1, 1995.

THEATER MISSILE DEFENSE

The conferees further agree to provide substantial funding for the highest priority TMD programs. The conferees, however, also agree to restrict the obligation of portions of those funds until a number of additional analyses are prepared and delivered to the congressional defense committees, and until the committees receive additional assurances that these funds are required.

NAVY LOWER TIER

For the Navy lower tier system, the conferees agree to recommend \$140.0 million, a reduction of \$39.5 million from the requested amount. In addition, the conferees direct that only \$100.0 million be available for obligation until all of the following conditions have been met:

- (1) an analysis of the lethality of the Navy lower tier blast-fragmentation warhead against the full threat spectrum used by the Army in the analysis of the two competing Patriot PAC-3 warheads has been conducted and the results reported to the congressional defense committees;
- (2) an analysis of the lethality of a notional CORPS SAM system based on ERINT- and GBR-T-type hardware against the same threat spectrum and under the same ground rules as (1) above has been conducted, and the results have been provided to the congressional defense committees;
- (3) an analysis of the feasibility of employing either CORPS SAM or Patriot PAC-3 fire units, in lieu of the Navy lower tier system, for defense of amphibious landing zones and ports of debarkation, has been conducted and the results provided to the congressional defense committees. The analysis should evaluate the feasibility of both early deployment to shore from task force ships and operation of such units from the deck of selected task force vessels, and should be conducted against the same threat spectrum and under the same ground rules as described in (1) above.
- (4) an analysis of the most cost-effective replacement system or systems for ship self-defense against the low-observable, sea-skimming cruise missile threat, under the assumption

that the Navy lower system was terminated at the end of fiscal year 1995, has been conducted, and the results have been provided to the congressional defense committees;

(5) after review of the above analyses, the Chairman of the Joint Chiefs of Staff certifies in writing to the congressional defense committees that, in combination with other available TMD systems, the lethality of the planned Navy lower tier warhead provides an acceptable level of protection from the threat of chemical weapons submunitions for U.S. troops both at ports of debarkation and in amphibious landing operations prior to the deployment, setup, and operation of land-based TMD systems; and

(6) after review of the above analyses, the Secretary of Defense certifies in writing to the congressional defense committees that proceeding with the planned Navy lower tier system is a cost-effective use of limited BMDO resources.

NAVY UPPER TIER

For the Navy upper tier program, the conferees agree to recommend \$50.0 million. Of this amount, \$10.0 million may not be obligated until all of the following conditions have been met:

(1) an updated funding profile and schedule is provided to the congressional defense committees setting forth the cost and schedule for development and deployment of the planned Navy upper tier system if changes were made to the scope and schedule of the Navy lower tier system;

(2) an analysis of the cost-effectiveness of the planned Navy upper tier system (LEAP) relative to a marinized version of the THAAD interceptor missile has been conducted and the results have been provided to the congressional defense committees. The analysis shall be conducted under the following assumptions: (a) that the Navy lower tier program is, in one instance, canceled at the end of fiscal year 1995, and, in a second instance, is continued; (b) that the Army's THAAD program is fully funded through EMD; and (c) that the maximum velocity of a sea-based TMD interceptor is, in one instance, limited to three kilometers per second and, in a second instance, is unconstrained; and

(3) the report on the compliance of the Navy upper tier system has been delivered.

INDEPENDENT REVIEW

The conferees further direct the Secretary of Defense to reconstitute the independent review group originally established to review the Army's selection process for the Patriot PAC-3 interceptor missile decision (or to establish a similar group under the auspices of the Defense Science Board). This independent review group shall thoroughly review the lethality analysis required by item (1) of the "Navy lower tier" subsection above and the lethality analysis required in the "ARROW/ACES" subsection below. The results of their reviews, and their conclusions regarding the comparability of the analyses performed by the Department with the PAC-3 decision analysis, shall be provided to the congressional defense committees not later than 60 days after the Department completes the required lethality studies.

PATRIOT PAC-3 AND "RISK-REDUCTION"

The conferees recommend no funding for the two requested "demonstration/validation" (dem/val) activities labelled "ERINT," for which the requested amount was \$58.5 million, and "Patriot," for which the requested amount was \$69.2 million.

As a general matter, the conferees agree that "risk-reduction" activities should be focused on the selected system, preferably by providing adequate development funds, rather than through the creation of special "risk-reduction" funds. Therefore, the conferees agree to recommend a total of

\$284.7 million for Patriot PAC-3 EMD, including the transfer of \$69.2 million in dem/val funds labelled "Patriot" to the EMD line. None of these funds may be used for "risk-reduction" activities in connection with multi-mode missile (MMM) technologies.

The conferees recognize the advantage of investing in backups for particularly critical or risky ERINT technologies or components, if such funds can be reallocated from lower-priority programs. The conferees further agree to that, as a general matter, such risk-reduction activities should be reviewed annually, and the funding level should be based on the successful candidate's rate of technical progress.

The conferees were given a DOD "Information Paper" dated May 18, 1994, regarding the Defense Department's proposed three-year, \$84.8 million risk-reduction activity. That "Information Paper" recommended utilization of the requested \$58.5 million for "ERINT" dem/val for risk mitigation for selected technologies from both the MMM and the ERINT missiles. The conferees agree to recommend the transfer of the \$58.5 million requested under the "ERINT" dem/val account to a new line entitled "Patriot PAC-3 risk-reduction." This amount is only available for further research and development activities on selected MMM and ERINT technologies. The conferees direct that all funds allocated for risk-reduction on MMM technologies may only be obligated for technologies that are transferrable to the ERINT missile, in the event of technical difficulties with critical ERINT technologies. The conferees further direct that none of these risk-reduction funds be used for additional flight testing of the MMM interceptor missile during fiscal year 1995.

The conferees were informally notified at a late stage of the conference that DOD is contemplating a significantly larger risk-reduction effort than is contained in the May 18, 1994 "Information Paper," one on the order of \$180.0 million. Neither funding details nor any rationale for such a significant increase in the need for risk-reduction was provided. The conferees agree that the relevant committees of jurisdiction should carefully review any such formal DOD risk-reduction proposal in the context of their consideration of the fiscal year 1996 defense budget request, and recommend that, if DOD deems the risk-reduction fund authorized above inadequate, it should submit a prior-approval reprogramming request during fiscal year 1995.

boost phase intercept programs

The requested amounts for BPI programs in both BMDO and the Air Force totalled \$210.6 million. Both the Senate bill and the House amendment would provide substantial funding for all BPI programs. The conferees are disappointed that both the Senate and the House defense appropriations bills have sharply restricted funding for BPI programs to \$90.0 million or less. Given this constraint, the conferees recommend \$30.0 million within the BMDO budget for high-power laser research. These funds may only be used to complete the integration of the Alpha laser, LAMP optics, and LODE beam control in such a way as to maximize the utility of the results for tactical applications of chemical lasers. The conferees also direct that the funds may not be used to initiate or carry out any work on the shield integration facility or any spacecraft-related activity. The conferees intend that the space-based portion of the chemical laser program end upon completion of the Alpha LAMP integration.

Of the remaining funds for BPI programs within the appropriations ceilings, the conferees recommend \$20.0 million for the Air Force's airborne laser program, and \$40.0 million for the BMDO boost phase intercept program. No funds are recommended for the boost phase intercept program contained within the Air Force's "theater missile defense" program element.

The conferees are disappointed with the Defense Department's overall effort to manage high-power laser research for tactical applications. The high-power laser guidance report, submitted by the Department in June 1994, does not outline an integrated departmental program for tactical application of high-power lasers. The conferees are concerned that this technology base is slowly

withering away outside the Air Force, the one service providing significant support. The conferees, therefore, direct that the high-power laser program guidance be updated by March 31, 1995, with a view toward sustaining a technology base in high-power lasers for Army, Navy, and Air Force tactical applications. The conferees expect an integrated DOD high-power laser program to be reflected in the fiscal year 1996 request for the DOD science and technology base.

PROCUREMENT

The conferees recommend fully funding the \$273.4 million request for procurement.

ADDITIONAL GUIDANCE

FUNDING RECOMMENDATIONS AND BUDGETARY DATA

The conferees agree to establish a set of distinct program elements for BMDO activities. The conferees' complete recommendation for BMDO funding is contained in the table that follows this discussion, for each program element and for selected programs, projects, and activities within certain program elements. The conferees intend that each program element shown shall be a separate line item, and that these titles shall be used to account for all funds for each such item, whether BMDO attributes the funds to exploratory development, demonstration/validation, EMD, or procurement. Since support activities like test and evaluation were not broken out by projects, the conferees direct that, for fiscal year 1995, the funds for the major TMD system program elements be used to carry out the planned research and development activities presented in budget documents and testimony, and that support for items like test and evaluation activities specifically for those programs be funded from the "other TMD activities" program element. Beginning in fiscal year 1996, to the extent possible, test and evaluation funds and other direct supporting activities associated with specific TMD systems should be requested as a project or task within the appropriate program element. The committee expects transfers among the designated program elements to be accomplished through customary prior-approval reprogramming procedures only. The conferees are determined to require BMDO to present budgetary data in an easy-to-comprehend form, allowing the activities comprising major programs and their costs to be readily identifiable. The conferees note that the current submission contains multiple program elements using the same names and that the NMD funding request is commingled in a program element with funds requested for other purposes. That is a totally unacceptable presentation.

ARROW/ACES

Within the "other TMD activities" program element, the conferees recommend \$52.4 million for the joint U.S.-Israel ARROW/ACES program, which is the requested amount. The conferees note, however, that the concerns they have expressed regarding the questionable lethality of blast-fragmentation warheads against nuclear warheads and warheads containing chemical weapons submunitions apply even more directly to the ARROW/ACES program than to the Navy lower tier program. The conferees therefore direct BMDO to analyze the lethality of the planned ARROW/ACES warhead against the same threat spectrum and under the same ground rules as were used in the PAC-3 selection and are required to be used in conducting other analyses above. The results of this analysis shall be provided to the congressional defense committees not later than March 31, 1995.

MANAGEMENT SUPPORT

The conferees agree to recommend \$170.0 million for the management support activity, a reduction of \$50.2 million from the requested amount. The conferees note that in fiscal year 1993, BMDO provided oversight of a \$3.7 billion SDIO budget of substantially greater diversity than the present program with a program management budget of \$218.3 million. The total funding recommended herein for BMDO for fiscal year 1995 is \$2.8 billion, or just over 75 percent of the fiscal year 1993 budget in nominal dollars. Yet BMDO requested virtually the same program

management budget as in fiscal year 1993. A budget of \$170.0 million for program management is in proportion to the decline in overall BMDO funding levels.

The conferees further direct that, in apportioning this program management budget, BMDO management apportion the reductions in rough proportion to the funding changes within the major program categories. Reductions need to be taken at all levels, including reductions in management layers and overhead.

COMPLIANCE REVIEWS

The conferees agree to a provision that would require compliance reviews for both the Brilliant Eyes program and the Navy upper tier program. Guidance for the Brilliant Eyes review is contained in the Senate report (S. Rept. 103-282); for the Navy upper tier program, the conferees require a review of the compliance of the LEAP configuration both as currently planned, and if the kick-stage motor were restricted to limit LEAP velocity to three kilometers per second.

CHANGES TO THE MISSILE DEFENSE ACT OF 1991

The conferees agree to a provision that would further streamline the Missile Defense Act of 1991, as amended.

FLIGHT TESTING OF THAAD INTERCEPTOR MISSILES DURING FISCAL YEAR 1995

The Senate report (S. Rept. 103-282) contained a section entitled "Compliance of THAAD Flight Testing During Fiscal Year 1995." The conferees endorse the views expressed in that section.

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Senate advice and consent on agreements that modify the Anti-Ballistic Missile Treaty (sec. 232)

The Senate bill included a provision (sec. 225) that would require the President to submit any negotiated changes that would substantively modify the Anti-Ballistic Missile Treaty to the Senate. The United States would not be bound by any international agreement negotiated by the President that substantively modified the Anti-Ballistic Missile Treaty unless the agreement was presented to the Senate for its advice and consent to ratification of the agreement, pursuant to the Constitution.

The House amendment contained no similar provision.

The House recedes. The conferees note that there is a wide range of views in the Senate on what might constitute a "substantive modification" to the ABM Treaty which would trigger a requirement to submit the agreement to the Senate for further advice and consent. Since 1972, the ABM Treaty has been clarified or modified on a number of occasions without the Executive Branch submitting the changes to the Senate for its advice and consent. These clarifications or changes, negotiated in the Standing Consultative Commission (SCC) and not submitted to the Senate for its advice and consent, have taken the form of agreement statements.

The conferees believe that the Executive Branch should consult with the Senate on any new agreements reached in the SCC or elsewhere concerning the ABM Treaty to carefully determine whether these new agreements meet the definition of a "substantive modification" to the Treaty, and are required to be submitted to the Senate for advice and consent under Article II of the U.S. Constitution.

Limitation on flight tests of certain target missiles (sec. 234)

The House amendment contained a provision (sec. 235) that would limit certain missiles tests.

The Senate bill contained no similar provision.

The Senate recedes with an amendment.

Defense women's health research program (sec. 241)

The budget request contained no funds for the defense women's health research program.

The Senate bill would provide \$40.0 million in PE 63002D for the defense women's health research program and contained a provision (sec. 242) that would continue the program.

The House amendment would provide \$40.0 million in PE 63002A for the defense women's health research program and contained a similar provision (sec. 241).

The Senate recedes with a clarifying amendment. The conferees agree to provide \$40.0 million in PE 63002D.

Submission of Semiconductor Technology Council annual report (sec. 251)

The Senate bill included a provision (sec. 243) that would require the Semiconductor Technology Council to submit its annual report to Congress on March 31 of each year.

The House amendment contained no similar provision.

The House recedes.

Report on oceanographic survey and research requirements to support littoral warfare (sec. 252)

The Senate bill contained a provision (sec. 244) that would require, not later than March 1, 1995, the Secretary of the Navy to submit to Congress a report on the oceanographic survey and research and development requirements needed to support Navy operations in littoral regions.

The House amendment contained on similar provision.

The House recedes.

LANSCE/LAMPF upgrades (sec. 253)

The Senate bill included a provision (sec. 245) that would authorize \$20.0 million for the Defense Nuclear Agency to complete the upgrade of the Los Alamos Neutron Scattering Center/Los Alamos Meson Physics Facility (LANSCE/LAMPF).

The House amendment contained no similar provision.

The House recedes with an amendment that would provide funds for the facility from funds made available pursuant to section 201 of this act. These funds would be included in a separate Army program element (PE 65104A).

Study regarding live-fire survivability testing of F-22 aircraft (sec. 254)

The Senate bill contained a provision (sec. 246) that would direct the Secretary of Defense to request the National Research Council of the National Academy of Sciences to study the desirability of waiving the live-fire survivability testing requirements for the •F-22 aircraft.

The House amendment contained no similar provision.

The House recedes.

University research initiatives (secs. 255 and 257)

The Senate bill contained a provision (sec. 249) that would provide \$10.0 million for the university research support program and \$10.0 million for the defense experimental program to stimulate research (DEPSCOR). The provision would limit DEPSCOR awards to states that have received less than 50 percent of the national average investment of federal funds for higher education during the past fiscal year.

The House amendment contained a provision (sec. 218) that would provide \$20.0 million for DEPCOR, establish DEPCOR in law, and describe the goals of the program.

The House recedes with an amendment that would allow states that have received less than 60 percent of the national average investment of federal funds for higher education during the past fiscal year to receive DEPCOR awards.

Manufacturing technology (sec. 256)

The budget request contained \$97.1 million for the manufacturing science and technology program in the defense agencies' account and \$20.2 million for the industrial preparedness program in the Navy research and development account.

The Senate bill would provide \$125.0 for the manufacturing science and technology program in the following amounts: \$30.0 million for the Army; \$50.0 million for the Air Force; \$35.0 million for the Navy; and \$10.0 million for the Defense Logistics Agency (DLA). The Senate bill would also provide \$20.2 million for the Navy industrial preparedness program.

The House amendment would provide \$117.1 million in the defense agencies account and \$40.5 million for the Navy industrial preparedness program.

The conferees note that the military services have different approaches to manufacturing technology. The Army and Air Force conduct their programs through contracts with industry, while the Navy uses a mixture of contracts with industry and centers of excellence. In recognition of these differences, the conferees recommend authorizations in two separate programs.

The first program is the manufacturing science and technology program, for which the conferees recommend \$109.4 million. The conferees agree that this program should be aimed at the manufacturing technology needs of the military departments. The conferees recommend a provision that would require all awards under this program to be made on the basis of competition and all awards involving dual-use technology to be cost-shared. The conferees note the importance of repair technology programs and urge the services to include repair technology programs in their manufacturing technology competitions. The conferees encourage the Army to consider supporting a medical manufacturing technology program for medical needs related to service in the military. The conferees also recognize the need for manufacturing technology in the apparel and microelectronic emulation programs of the Defense Logistics Agency, and commend these and others efforts described in the House report (H. Rept. 103-499).

The conferees recommend the following authorizations: \$29.4 million for the Army in PE 78045A; \$50.0 million for the Air Force in PE 78011F; \$20.0 million for the Navy in PE 65872N; and \$10.0 million for DLA in PE 63705D.

The second program is the Navy industrial preparedness program, for which the conferees recommend \$45.2 million. The conferees intend this second program to be separate from the manufacturing science and technology program for the specific purpose of authorizing the Navy centers of excellence.

Altimetry convergence study (sec. 258)

The Senate bill contained a provision (sec. 1077) that would require the Secretary of the Navy and the Administrator of the National Aeronautics and Space Administration to study converging radar altimeter programs.

The House amendment contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

High-resolution imaging

The Senate bill contained a provision (sec. 204) that would authorize \$10.0 million in Air Force RDT&E funds for high-resolution imaging of space objects using excimer lasers.

The House amendment contained no similar provision.

The Senate recedes from the statutory provision. The conferees would include \$10.0 million in PE 63605F to continue the excimer laser high-resolution imaging program.

Limitation on obligation of ballistic missile defense funds

The Senate bill contained a provision (sec. 223) that would restrict the obligation of any fiscal year 1995 funds for ballistic missile defenses until certain overdue reports are provided to the congressional defense committees.

The House amendment contained no similar provision.

The Senate recedes because the reports in question have now been delivered.

Management and budget responsibility for space-based chemical laser program

The Senate bill contained a provision (sec. 224) that would provide guidance regarding the space-based chemical laser program.

The House amendment contained no similar provision.

The Senate recedes.

Study on beaming high-power laser energy to satellites

The Senate bill contained a provision (sec. 250) that would require the Secretary of Defense and the Administrator of NASA to study the cost, feasibility, and advisability (including arms control and environmental considerations) of developing a system to deliver energy to satellites by beaming high-power laser energy from ground sources.

The House amendment contained no similar provision.

The Senate recedes. The conferees direct the Secretary of Defense, in consultation with the Administrator of NASA, to carry out a study to determine the cost, feasibility, and advisability of the development and utilization of a system to deliver energy to satellites by beaming high-power laser energy from ground sources. The Secretary shall take into account the impact of such a system on the environment and the effect, if any, of the development and utilization of such a system on the arms control efforts or obligations of the United States. In carrying out the study, the Secretary shall consider the option of the development of a space energy laser (SELENE) system using a free electron laser at the Naval Air Weapons Station, China Lake, California. The Secretary shall submit the study to the congressional defense committees by July 1, 1995.

Advanced threat radar jammer

The Senate bill contained a provision (sec. 251) that would preclude the Secretary of Defense from negotiating or entering into an agreement with a country other than a NATO or major non-NATO ally on a joint development program for advanced threat radar jammers (ATRJ) for combat helicopters until 30 days after the Secretary reviews the program and submits a report to the congressional defense committees. The provision would require the report to address the following:

- (1) the legal basis for seeking funds neither authorized nor appropriated for the program;
- (2) the consistency of the program with the DOD policy that a system not be sold overseas before it had completed operational testing and evaluation (OT&E);
- (3) the mission requirements for the system;
- (4) an assessment of the threat for which the system is developed;
- (5) the potential for proliferation of sensitive electronic warfare technologies;

(6) the availability of non-developmental, less sophisticated technologies for meeting the needs of U.S. and allied combat helicopters; and

(7) the availability of similar technologies from other foreign countries and the consequences of proliferating such technologies in potential conflict regions.

The House amendment contained no similar provision.

The Senate recedes. The conferees understand that:

(1) the Army's development program is fully funded within the Army budget;

(2) the "no sale until successful OT&E" policy does not apply to potential co-development efforts, only to the sale of systems already developed;

(3) requirements for the ATRJ have already been validated in an operational requirements document (ORD) and in a cost and operational effectiveness analysis (COEA);

(4) the requested threat assessment was made in deriving the analysis supporting the ORD and COEA;

(5) the interagency process already established for evaluating proliferation concerns is addressing such concerns;

(6) the ORD and COEA assessed non-developmental, less sophisticated technologies and found them deficient; and

(7) the potential development partner has a foreign source for similar equipment that would not be subject to U.S. export review and control.

Nevertheless, the conferees believe that enough concerns remain to require the Secretary of Defense, by March 31, 1995, to provide a report on the following matters:

(1) the potential cost-sharing and work-sharing plan for the co-development effort;

(2) the ORD and the COEA underpinning the Department's plans to proceed with the program;

(3) the threat assessment for the receiving nation underpinning the Department's plans to proceed with the program;

(4) an assessment of the potential foreign competitor systems, and the level of technology in those systems; and

(5) the results of the interagency review process that led to the approval of the co-development effort, including the review of potential proliferation concerns.

Missile early warning and tracking

The budget request contained:

(1) \$150.0 million for development of the alert, locate, and report missiles (ALARM) early warning satellite, the follow-on to the defense support program (DSP) system. Of this amount, \$31.0 million was requested for a technology demonstration program;

(2) \$120.0 million within the Ballistic Missile Defense Organization for development and demonstration of Brilliant Eyes (BE); and

(3) \$76.4 million for further development of DSP, including new ground processing capabilities.

The Senate bill would deny funding for the ALARM technology demonstration. It would also transfer the BE program to the Air Force, and allow the Secretary of Defense to use the funds to correct technical intelligence and warning shortfalls, accelerate ALARM, continue a BE program focused on theater defense, or continue DSP procurement.

The House amendment contained a provision (sec. 141) that would provide \$300.0 million for ballistic missile early warning risk mitigation. These funds could be used for continued procurement of defense support program satellite number 24, accelerated development of ALARM leading to launch of the first satellite no later than the first quarter of 2002, development of BE, acquisition of three additional interim theater missile sensors, or a combination of the above. The House amendment also would reduce the requested amount for DSP RDT&E by \$20.0 million.

The House recesses.

The Department of Defense has undertaken a comprehensive review of all space-based infrared (SBIR) requirements and programs for ballistic missile detection, tracking, technical intelligence, and other ancillary missions. The conferees applaud this effort, but not that Congress has directed such an assessment every year for at least the last three years. The conferees also note that this new review follows a major assessment conducted just a year ago in the Bottom-Up Review (BUR). The BUR resulted in decisions to terminate one program, develop a DSP follow-on, and initiate another (ALARM); to terminate further procurement of DSP; and to scale back the BE program substantially.

The BUR process completely upended the fiscal year 1994 budget request, but Congress patiently provided wide latitude to the Secretary of Defense to allocate funds once the BUR was completed. Now Congress is once again in the same position. The conferees intend to provide DOD latitude in this critical area in fiscal year 1995, but their patience is wearing thin. Moreover, if the Department makes major changes in the current program, the planned deployment date of a follow-on capability could be jeopardized.

The conferees deny the \$31.0 million requested for the ALARM technology demonstration program. The conferees agree to apply these funds, and an additional \$19.0 million, to accelerate the advanced tactical warning and attack assessment system by two years. The conferees agree to authorize the requested amount for BE, but shift the program to the defense agencies, RDT&E account. The Secretary of Defense should determine the appropriate management organization for this program based on the ongoing review and notify the congressional defense committees within 45 days after the date of enactment of this act.

In addition, in light of the ongoing review of SBIR programs within the Department, and the potential for changes to existing programs as a result of the study, the conferees direct the Secretary to promptly report to the congressional defense committees on the results of the study, together with any recommended programmatic, budgetary, and schedule changes. Should the Secretary determine that modifications to existing programs are necessary, the conferees would consider a reprogramming request to implement any such changes.

Mobile off-shore base and landing ship quay causeway program

The House amendment contained a provision (sec. 220) that would prohibit development or acquisition of a mobile off-shore base (MOB) or landing ship quay causeway (LSQ/C) until:

- (1) the Joint Requirements Oversight Council (JROC) has approved an operational requirement for the MOB or LSQ/C; and
- (2) the Secretary of Defense has certified to the congressional defense committees that: (a) there was a validated requirement for the MOB or LSQ/C, and (b) the acquisition plan and program to fulfill that requirement were fully funded in the Future Years Defense Program.

The Senate bill contained no similar provision. The Senate report (S. Rept. 103-282) stated that, by the end of 1994, (1) the JROC should determine whether there is an operational requirement for these programs; and (2) the Defense Science Board (DSB) should review the programs and submit the results of its review to Congress prior to the submission of the fiscal year 1996 budget request.

The House recesses.

The conferees agree with the concerns expressed in the Senate report about over-the-shore logistics operations and the need for an ability to sustain operations in austere environments or in

locations in which port operations could be disrupted by the use of weapons of mass destruction. The conferees agree with the finding in the House provision that the concepts of the sea-going MOB and related LSQ/C could significantly improve the U.S. crisis response capability in areas in which land bases are not available. The conferees also agree that the potential development and acquisition costs of these systems could be large enough that either would be a major defense program subject to review and approval by the Defense Acquisition Board.

The conferees agree with the guidance in the Senate report with respect to actions by the JROC and the Under Secretary of Defense for Acquisition and Technology. The conferees strongly desire that the results of the JROC program evaluation and the DSB report be submitted prior to December 31, 1994.

If the JROC and DSB reviews indicate that the Department should pursue either the MOB or LSQ/C program, or both, beyond fiscal year 1995, the conferees direct the Department of Defense to document future funding and development plans for these two programs, including specific development and acquisition milestones, as a part of its fiscal year 1996 budget justification. If the program's scope warrants, the Department should specify a schedule for timely review by the Defense Acquisition Board that can help inform congressional evaluation of the fiscal year 1996 Department of Defense budget request.

ARROW/ACES program

The House amendment contained a provision (sec. 221) regarding funding for the ARROW/ACES program.

The Senate bill contained no similar provision.

The House recedes. Funding for ARROW/ACES is discussed elsewhere in this statement of the managers.

Army helicopter engine upgrade program

The House amendment contained a provision (sec. 222) that would reduce the authorization for Army research and development by \$4.5 million. The provision specified that the reduction would be derived from funds intended for developing an electronic fuel control to upgrade the hydro-mechanical unit for the T53-series helicopter engine.

The Senate bill contained no similar provision.

The House recedes. The conferees agree to recommend funding for Army research and development that incorporates this action.

Theater missile defense programs

The House amendment contained a provision (sec. 232) that would provide funding and guidance for the Navy upper tier theater missile defense program.

The Senate bill contained no similar provision.

The House recedes. Funding for the Navy upper tier program is discussed elsewhere in this statement of the managers.

Theater missile defense risk reduction activities

The House amendment contained a provision (sec. 233) that would create a risk-reduction fund for theater missile defenses.

The Senate bill contained no similar provision.

The House recedes.

TITLE III-OPERATION AND MAINTENANCE

The Senate bill would authorize \$92,457,460,000 for operation and maintenance for the Department of Defense and \$1,618,038,000 for Working Capital Fund accounts in fiscal year 1995.

The House amendment would authorize \$90,317,199,000 for operation and maintenance for the Department of Defense and \$1,212,038,000 for Working Capital Fund accounts in fiscal year 1995.

The conferees recommend authorization of \$91,463,223,000 for operation and maintenance for the Department of Defense and \$2,068,038,000 for Working Capital Fund accounts in fiscal year 1995, as reflected in the following tables.

The conferees recommend authorization of all funds for the Defense Health Program, including procurement, under Title III.

Offset Folios 3310 to 3333 Insert here ***TABLE GOES HERE***

ITEMS OF SPECIAL INTEREST

Army National Guard Hawk battalions

The conferees are concerned that the Army has not budgeted sufficient resources to provide the full range of support required for Army National Guard Hawk battalions in fiscal year 1995. The conferees direct the active Army and the National Guard Bureau to ensure that these Hawk battalions receive the resources required to maintain their readiness at a level consistent with their mission requirement.

Industrial base for operational rations

The conferees agree to authorize \$2.0 million for the defense conversion grant program in support of the operational rations industry. These funds are intended to assist manufacturers of meals ready to eat (MREs) in developing a broader commercial base to offset projected lower levels of MRE purchases by the federal government while maintaining wartime surge capacity, and not for facility relocation.

Mobility infrastructure enhancement

The conferees believe that there is considerable opportunity to improve deployment capability and enhance mobility through investment in en-route infrastructure, including runway ramp space, preservation of en-route base availability, and ammunition loading. The conferees agree to add \$50.0 million in this area. This funding is authorized in the operation and maintenance, defense-wide activities account for application to high priority projects with the potential for multiple mobility improvements. The Secretary of Defense is requested to report on the expenditure of these funds to the congressional defense committees prior to their allocation and should seek the view of the Commander in Chief, U.S. Transportation Command, in determining the application of these resources. Further, funding should be made available, if necessary, from this amount to conduct a mobilization exercise to integrate mobilization into the joint commands' exercise scenarios.

Recovery of excess transient lodging service charges

The House report (H. Rept. 103-499) directed the Army to transfer \$65.0 million from installation morale, welfare, and recreation funds to Army operation and maintenance accounts for the purpose of performing repair and maintenance on barracks.

The Senate report (S. Rept. 103-499) contained no similar direction.

The conferees agree that the transfer of funding is not necessary because the Department of Defense has implemented specific regulations prohibiting the use of appropriated funds provided for temporary duty or permanent change of station travel to directly or indirectly generate non-

appropriated levels. These regulations were issued in response to congressional directives following a series of GAO audits in 1990 which revealed practices of over-charging and inefficient use of on-base lodging.

Additionally, the conferees direct that non-appropriated fund loans between branches of the armed services be terminated by December 31, 1994. With regard to base closures, the conferees direct the Department of Defense to submit a report to the Committee on Armed Services of the Senate and the House of Representatives on the potential and actual amount of proceeds accruing to non-appropriated fund activities as a result of residual value negotiations in Europe not later than March 31, 1995. Further, the conferees direct the Department of Defense to develop a consistent policy for the disposition of cash and other non-appropriated fund assets as the result of base closures. This policy should be submitted to the Committees on Armed Services not later than December 31, 1994.

DOD tactical intelligence programs

The Senate bill would authorize additional funding in the defense agencies, operation and maintenance (O&M) account for the following programs:

- (1) reserves augmentation-\$5.0 million;
- (2) joint targeting support-\$7.0 million; and
- (3) intelligence communications architecture project-\$2.5 million.

In addition, the Senate bill would shift \$1.0 million in defense agencies, O&M funding for the automated message handling system, and \$2.4 million in defense agencies, O&M funding for Air Combat Command automatic data processing, from the general defense intelligence program to the tactical intelligence and related activities aggregation.

The House amendment took no similar actions.

The House recedes.

The Senate bill also recommended a reduction of \$18.0 million to the requested amount for O&M for the north warning system.

The House amendment would authorize the requested amount.

The conferees agree to reduce the requested amount by \$5.0 million.

Information systems security

The budget request contained \$19.0 million for the Center for Information Systems Security (CISS) within the Defense Information Systems Agency (DISA). The budget request also contained \$693.5 million, an 11 percent decrease from the fiscal year 1994 level, for the information systems security program (ISSP) administered by the National Security Agency.

The Senate bill would authorize the requested amounts.

The House amendment would authorize an additional \$4.0 million for the ISSP to be split between the ISSP and the CISS for secure architecture planning and implementation. The additional funds would be offset by a reduction in the DOD foreign counterintelligence program, in accordance with the priorities outlined in the Joint Security Commission report.

The conferees agree to the funding recommendations in the House amendment. The Senate report (S. Rept. 103-282) raised a number of fundamental issues regarding DOD funding and management of information systems security. The conferees endorse the views and direction expressed in the Senate report and in the classified annex to the House report (H. Rept. 103-541, Part 1) on H.R. 4299, the Intelligence Authorization Act for Fiscal Year 1995.

In addition, the conferees note that the CISS at DISA, in conjunction with the National Security Agency, has developed a security architecture that would begin to address the problems identified in the Senate report. However, there is no implementation plan for funding, procuring, and fielding the required network enhancements. Developing this plan will be complicated by the fact that security improvements must be integrated with the fielding of the defense message system and the evolution of the digital switched network (DISN). The conferees direct the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD(C3I)) to prepare such an implementation plan and submit it to the congressional defense and intelligence committees by March 15, 1995.

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

SUBTITLE A-AUTHORIZATION OF APPROPRIATIONS

Funds for depot-level maintenance and repair work (sec. 304)

The House amendment contained a provision (sec. 304) that would add \$600.0 million to the requested amount for the performance of depot-level maintenance and repair work in government facilities. This provision would also limit to 40 percent the amount available for the performance of depot-level maintenance and repair work by non-federal government employees.

The Senate bill contained no similar provision.

The Senate recedes with an amendment. The conferees agree to authorize \$305.0 million above the requested amount for depot-level maintenance and repair.

Support for 1996 Summer Olympics (sec. 305)

The Senate bill would authorize \$10.0 million for Department of Defense support to the 1996 Summer Olympics in fiscal year 1995.

The House amendment contained a provision (sec. 305) that would authorize the Secretary of Defense to provide logistical support and personnel services in connection with the 1996 games of the XXVI Olympiad to be held in Atlanta, Georgia. The House provision would also authorize \$4.0 million for Department of Defense support to the 1996 Summer Olympics in fiscal year 1995.

The Senate recedes with an amendment. The conferees agree to authorize \$10.0 million for Department of Defense support to the 1996 Summer Olympics in fiscal year 1995.

Support for the 1995 Special Olympics World Games (sec. 306)

The Senate bill contained a provision (sec. 306) that would authorize the Secretary of Defense to provide logistical support and personnel services in connection with the 1995 Special Olympics World Games to be held in New Haven, Connecticut. The provision would authorize \$3.0 million for DOD support for these Games in fiscal year 1995.

The House amendment contained a similar provision (sec. 307) that would authorize \$2.0 million for DOD support for the 1995 Special Olympics World Games in fiscal year 1995.

The House recedes.

SUBTITLE B-DEFENSE BUSINESS OPERATIONS FUND

Defense Business Operations Fund

The Senate bill and the House amendment contained a number of provisions related to the operation of the Defense Business Operations Fund (DBOF) which are described in the following sections.

The transfer of funds to and from the DBOF must be carried out in accordance with normal reprogramming procedures, unless otherwise directed by Congress. For fiscal year 1995, the reductions for civilian personnel understrength and for the DBOF capital asset subaccount that affect the DBOF cash balance have been made to the operation and maintenance accounts. These reductions should be offset by transfers from the DBOF.

The conferees are pleased that the process of advance billing for DBOF work can be eliminated in fiscal year 1995 under current plans. The conferees direct the Secretary of Defense to notify the congressional defense committees prior to reinstituting a policy of routine advance billing.

The annual DBOF budget justification material should clearly identify the surcharges added to the cost of goods and services in each of the DBOF business areas. In addition, this justification material should continue to highlight and explain the reasons for operating losses in the DBOF business areas. The DOD components managing the DBOF business areas must be held accountable for the operating results in these areas.

The conferees endorse the requirement in the Senate report (S. Rept. 103-282) for DOD to review its current policy of recovering all operating losses through the DBOF rate structure and report the results of this review to the congressional defense committees in its February 1, 1995 report on the implementation of the DBOF improvement plan.

Oversight of Defense Business Operations Fund (sec. 311)

The Senate bill contained two provisions (secs. 311 and 312) concerning the management of the Defense Business Operations Fund (DBOF). Section 311 would make permanent the authority of the Secretary of Defense to manage the working capital funds and industrial, commercial, and support activities of the Department of Defense through the DBOF. Section 312 would require the Secretary of Defense to submit to the congressional defense committees a progress report on the implementation of the DBOF improvement plan by February 1, 1995. This section would also require the Comptroller General to report to Congress on the Defense Department's implementation of the DBOF improvement plan by March 1, 1995.

The House amendment contained a provision (sec. 341) that would extend the authority to operate the DBOF and make other changes affecting the transfer, billing, use, and accumulation of funds.

The Senate recedes with an amendment that would make permanent the authority of the Secretary of Defense to operate the DBOF; authorize the purchase of goods and services from a source other than the DBOF; limit the inclusion of certain costs in DBOF charges; establish procedures for the accumulation of funds in the DBOF; require an annual report from the Secretary of Defense on the DBOF; and require a report from the Secretary of Defense and the Comptroller General on the DBOF improvement plan.

Review by Comptroller General of charges imposed by Defense Business Operations Fund (sec. 312)

The House amendment contained a provision (sec. 342) that would require the Comptroller General to review the charges for goods and services imposed by the Defense Business Operations Fund.

The Senate bill contained no similar provision.

The Senate recedes with a clarifying amendment that would limit the review to charges for goods and services imposed by the DBOF in fiscal year 1996.

Limitation on obligations against the capital asset fund (sec. 313)

The Senate bill contained a provision (sec. 313) that would set a cap of \$1.5 billion, which is \$100.0 million below the requested amount, on obligations from the capital asset subaccount of the DBOF during fiscal year 1995.

The House amendment contained no similar provision.

The House recedes with an amendment that would set a cap of \$1.44 billion on obligations from the capital asset fund subaccount of the DBOF during fiscal year 1995.

Limitation on obligations against the supply management divisions (sec. 314)

The Senate bill contained a provision (sec. 314) that would prohibit the Secretary of Defense from incurring obligations against the Defense Business Operations Fund during fiscal year 1995, except for obligations for fuel, subsistence and commissary items, retail operations, repair of equipment, and the cost of operations, in excess of 65 percent of sales from the DBOF during the fiscal year; would allow the Secretary of Defense, or his designee, to waive this 65 percent limitation cap if the Secretary determines that such action is necessary to maintain the readiness and combat effectiveness of the military services; and would require the service secretaries and the Director of the Defense Logistics Agency to report to the Secretary of Defense on the effect of this limitation on their ability to maintain the readiness and combat effectiveness of the armed forces not later than 60 days after enactment of this act.

The House amendment contained no similar provision.

The House recedes.

SUBTITLE C-ENVIRONMENTAL PROVISIONS

Limitation on use of environmental restoration funds for payment of fines and penalties (sec. 321)

The Senate bill contained a provision (sec. 322) that would prohibit the use of funds appropriated to the defense environmental restoration account (DERA) to pay fines and penalties unless the activity for which the fine was assessed was funded by the DERA.

The House amendment contained no similar provision.

The House recedes with an amendment that would extend the prohibition through 1999.

Participation of Indian tribes in agreements for defense environmental restoration (sec. 322)

The Senate bill contained a provision (sec. 323) that would amend section 2701(d) of title 10, United States Code, to allow DOD to enter into environmental agreements with federally-recognized Indian tribes.

The House amendment contained no similar provision.

The House recedes with a technical amendment.

Extension of authority to issue surety bonds for certain environmental programs (sec. 323)

The Senate bill contained a provision (sec. 324) that would extend the Defense Department's authority to issue surety bonds for DOD contractors conducting environmental restoration activities from December 31, 1995 to December 31, 1999.

The House amendment contained no similar provision.

The House recesses.

Payment of certain stipulated civil penalties (sec. 324)

The Senate bill contained a provision (sec. 358) that would authorize the Secretary of Defense to pay a \$500,000 fine to the hazardous substance superfund.

The House amendment contained no similar provision.

The House recesses with a technical amendment that would clarify that the provision arises out of a violation of an agreement entered into pursuant to the Comprehensive Environmental Response Compensation and Liability Act at the West Virginia Ordnance Works.

Additional exception to prohibition on storage and disposal of nondefense toxic and hazardous materials at military installations (sec. 325)

The House amendment contained a provision (sec. 2858) that would amend section 2692(b) of title 10, United States Code, to allow the treatment and disposal of hazardous material not owned by the Department of Defense, but generated on a military installation, if the treatment and disposal of such property was based on an agreement containing mutually agreeable terms.

The Senate bill contained no similar provision.

The Senate recesses with an amendment that would require the agreement to provide that the generator of the hazardous material would continue to be responsible for the environmental and financial consequences of the treatment and disposal of the material.

Assistance for public participation in defense environmental restoration activities (sec. 326)

The Senate bill contained a provision (sec. 2849) that would authorize the Secretary of Defense to establish restoration advisory boards to assist DOD with environmental restoration activities at military bases and to provide funding for local community members of such boards and existing technical review committees.

The House amendment contained a similar provision (sec. 1055).

The House recesses with an amendment that would allow the Secretary of Defense to provide funding for the local community members of the boards established for installations that are listed on the National Priorities List, using the authority provided by section 117(e) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (CERCLA). In addition, the amendment would clarify the duties and responsibilities of the boards.

The conferees note that the CERCLA is currently before both Houses of Congress for reauthorization. One of the provisions in the bills under consideration would create community working groups for facilities that are listed on the NPL. The conferees do not believe that more than one advisory board, community group (if eventually established by law), or technical review committee (if eventually established by law), or technical review committee should be at an NPL site. Therefore, the conferees believe that the boards and committees created for the Department of Defense NPL sites prior to the reauthorization of the CERCLA should be transitioned to the

community working groups that the conferees anticipate will be included in the reauthorized CERCLA.

Pilot program to develop and demonstrate environmental remediation technologies (sec. 327)

The House amendment contained a provision (sec. 1153) that would authorize \$4.0 million for the Secretary of Defense to enter into a cooperative agreement with an institution of higher education to facilitate the development and demonstration of new technologies for environmental restoration.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would provide \$1.0 million for the project.

Environmental education and training for defense personnel (sec. 328)

The House amendment contained a provision (sec. 2852) that would direct the Secretary of Defense to establish and conduct an environmental education and training program for members of the military services and civilian employees of the Department of Defense. The provision would also direct the Secretary to establish training centers.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would allow the Secretary to identify military facilities with existing environmental training expertise or the ability to develop such expertise. The provision would direct the Secretary to encourage the use of these facilities for training.

Study of establishment of land management and training center at Fort Riley, Kansas (sec. 329)

The Senate bill contained a provision (sec. 360) that would direct the Secretary of the Army to study the feasibility of establishing a center for Department of Defense land management activities at Fort Riley, Kansas.

The House amendment contained no similar provision.

The House recedes with an amendment that would direct the Secretary of the Army to study whether to establish a center for land management and training activities of the Department of Defense and to report on the results of the study by May 1, 1996. If the Secretary determines that establishment of such a center is feasible and advisable, the report shall identify suitable sites and activities for the center.

SUBTITLE D-DEPOT LEVEL-ACTIVITIES

Findings (sec. 331)

The House amendment contained a provision (sec. 321) that would express certain findings concerning depot-level maintenance and repair activities of the Department of Defense.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would modify the findings to emphasize the important role that depot-level activities of the Department of Defense play in meeting the readiness, mobilization, and deployment requirements of the military services.

Modification of limitation on performance of depot-level maintenance (sec. 332)

The House amendment contained a provision (sec. 322) that would revise the current percentage definition codified in section 2466 of title 10, United States Code, for depot-level maintenance and repair workloads that may be performed by non-federal government personnel to not more than 40 percent of the funds made available in a fiscal year to a military department or a

defense agency for depot-level maintenance and repair. The House provision would also require that in computing the percentage of funds that are used to contract for depot-level maintenance and repair workload, DOD should include the costs of interim contractor support; contractor logistic support; maintenance and repair workload above the unit level; and the provision of materials and parts.

The Senate bill contained no similar provision.

The Senate recedes with an amendment. The conferees agree not to require the inclusion of the costs of maintenance and repair workload above the unit level and the provision of materials and parts in computing the percentage of funds that are used to contract for depot-level maintenance and repair.

Report on performance of depot-level maintenance and repair of new weapons systems (sec. 333)

The House amendment contained a provision (sec. 323) that would require that, within five years after the initial delivery of a weapon system to the Department of Defense, not less than 60 percent of the depot-level maintenance of the weapon system must be performed by employees of the Department of Defense.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to submit a report to Congress by April 1, 1995 that contains the plans of each military department to provide for the depot-level maintenance and repair of any new weapon system by depot-level activities of the Department of Defense.

Review of cost growth in contracts to perform depot-level maintenance and repair (sec. 334)

The House amendment contained a provision (sec. 324) that would require the Secretary of Defense to audit each contract entered into for the performance of depot-level maintenance and repair in order to monitor the costs incurred by the contractor.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to review a representative sample of contracts for the performance of depot-level maintenance and repair to determine the extent to which the costs incurred by a contractor under any such contract has exceeded the cost of the contract at the time the contract was entered into.

Authority for depot-level activities of the Department of Defense to compete for maintenance and repair workloads of other Federal agencies (sec. 335)

The House amendment contained a provision (sec. 326) that would allow the Department of Defense depot-level activities to compete for the depot-level maintenance and repair workload of other Federal agencies.

The Senate bill contained no similar provision.

The Senate recedes.

Authority of depots to provide services outside of the Department of Defense (sec. 336)

The House amendment contained a provision (sec. 327) that would authorize the secretary of a military department to lease excess depot-level facilities and equipment on a reimbursable and non-interference basis.

The Senate bill contained no similar provision.

The Senate recedes with a clarifying amendment.

Reutilization initiative for depot-level activities (sec. 337)

The House amendment contained a provision (sec. 329) that would authorize a pilot program to encourage commercial firms to enter into partnerships with depot-level activities of the military departments.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would authorize the Secretary of Defense to conduct activities to encourage commercial firms to enter into partnerships with depot-level activities of the military departments.

Change of source for performance of depot-level workloads (sec. 338)

The Senate bill contained a provision (sec. 341) that would require the Secretary of Defense to ensure that any depot-level maintenance workload performed by a depot-level activity of the Department of Defense with a value of \$3.0 million or greater is not changed to performance by a contractor or by another DOD depot-level maintenance activity unless the change is made using merit-based selection procedures based upon competition among all DOD depot-level maintenance activities, or competitive procedures, including competition among private and public sector entities.

The House amendment contained no similar provision.

The House recedes. The conferees agree that the merit-based selection procedures required by this section for transferring workload between DOD depots should not affect the orderly transfer of workload as a result of base closure decisions.

Sale of articles and services of industrial facilities of the armed forces to persons outside Department of Defense (sec. 339)

The Senate bill contained a provision (sec. 359) that would authorize the Secretary of Defense to designate up to three DOD industrial facilities to sell articles and services to persons outside DOD if the Secretary determines that the articles or services are not available from a commercial source in the United States.

The House amendment contained a similar provision (sec. 1057) that would authorize DOD industrial facilities to sell articles and services outside DOD without regard to the availability of the goods or services from a commercial source. The House provision would also condition the exercise of the authority granted in the provision on a certification that a cost accounting system had been developed to track the financial activities related to any commercial business undertaken by these facilities. It would also delay the effective date of the authorities granted in the provision to June 1, 1995.

The House recedes with an amendment that would authorize the Secretary of Defense to designate any DOD industrial facility to participate in this program, and would make the authority under the provision effective April 1, 1995.

The conferees note the concerns expressed in both the House and Senate reports (H. Rept. 103-499 and S. Rept. 103-282) over the Defense Department's weak financial management operations. The conferees expect the Secretary of Defense to ensure that DOD industrial facilities

have the cost accounting systems needed to keep track of the costs associated with making sales of articles and services under this section, and that expenditures made and revenues generated in such sales are not intermingled with funds authorized and appropriated for the military mission of the industrial facilities.

SUBTITLE E-CIVILIAN EMPLOYEES

Extension of certain transition assistance authorities (sec. 341)

The Senate bill contained a provision (sec. 331) that would extend certain personnel drawdown authorities (special reduction-in-force notification rules, separation pay, and continued health benefits). This provision would extend the annual leave carry-over provisions to employees at any installation closed through the base realignment and closure process.

The House amendment contained no similar provision.

The House recedes.

Extension and expansion of authority to conduct personnel demonstration projects (sec. 342)

The Senate bill contained a provision (sec. 332) that would make permanent the authority of the Secretary of the Navy to continue the personnel demonstration project at the Naval Air Warfare Center Weapons Division, China Lake, California, and at the Naval Command, Control, and Ocean Center, San Diego, California. Additionally, this provision would authorize the Secretary of Defense, with the approval of the Office of Personnel Management, to conduct similar, though not necessarily identical, demonstration projects at other Department of Defense science and technology reinvention laboratories.

The House amendment contained no similar provision.

The House recedes with an amendment that would make technical changes and require the approval of the Office of Personnel Management for new demonstration projects.

The conferees recognize the success of the demonstration projects at the Naval Air Warfare Center Weapons Division and at the Naval Command, Control, and Ocean Center, and believe that innovative application of the lessons learned from these projects at other Department of Defense science and technology reinvention laboratories can provide the managerial flexibility in compensation, performance evaluation, and other matters necessary during the drawdown period.

The conferees recognize that no single project can fit all laboratories and encourage the Department of Defense and the Office of Personnel Management to work together in developing demonstration projects tailored to the needs of the individual laboratories.

Limitation on payment of severance pay to certain employees transferring to employment positions in nonappropriated fund instrumentalities (sec. 343)

The Senate bill contained a provision (sec. 333) that would preclude appropriated fund employees from immediately receiving severance pay upon movement to non-appropriated fund positions under the pay and benefits protections of the Portability of Benefits for Non-appropriated Fund Employees Act of 1990.

The House amendment contained no similar provision.

The House recedes.

Retirement credit for certain service in nonappropriated fund instrumentalities before January 1, 1987 (sec. 344)

The Senate bill contained a provision (sec. 334) that would require a study of portability of retirement credit for certain former nonappropriated fund employees not covered by previous portability legislation.

The House amendment contained no similar provision.

The House recedes with an amendment that would request the Defense Department to consult with the Office of Personnel Management on the study. Further, the conferees agree that the Department of Defense has not made a good faith effort to rectify an inequity largely caused by the Department's past personnel policies. The conferees look forward to working closely with the Department in the next fiscal year to resolve this complex issue.

Travel, transportation and relocation expenses of employees transferred from the Department of Defense to the Postal Service (sec. 345)

The Senate bill contained a provision (sec. 335) that would authorize the Department of Defense to pay the cost of travel, transportation, and relocation for employees scheduled for separation when the employee is selected for a position with the Postal Service.

The House amendment contained no similar provision.

The House recedes.

Foreign employees covered under the Foreign National Employees Separation Pay Account (sec. 346)

The Senate bill contained a provision (sec. 336) that would amend section 1581 of title 10, United States Code, to include foreign employees who are employed by a foreign nation for the benefit of the Department of Defense in the category of employees who would be authorized separation pay.

The House amendment contained no similar provision.

The House recedes.

Report on conversion of certain positions to performance by Department of Defense employees (sec. 347)

The House amendment contained a provision (sec. 373) that would require the Secretary of Defense to convert 10,000 military positions to federal civilian employee positions each year during fiscal years 1995, 1996, and 1997.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to (1) submit a report to the Committees on Armed Services of the Senate and House of Representatives on the Secretary's efforts to identify positions to which continued assignment of military personnel is no longer justified under current circumstances; and (2) assign DOD employees to replace military personnel in those positions.

Non-federal employment incentive pilot program (sec. 348)

The House amendment contained a provision (sec. 375) that would authorize the Secretary of Defense to establish a program to offer incentives to encourage non-federal employers to hire and retrain employees at military installations scheduled for closure or realignment.

The Senate bill contained no similar provision.

The Senate recesses with a clarifying amendment.

Uniform health benefit programs for employees of the Department of Defense assigned to nonappropriated fund instrumentalities (sec. 349)

The House amendment contained a provision (sec. 376) that would provide for a uniform health benefits program for employees of the Department of Defense assigned to a nonappropriated fund instrumentality of the Department.

The Senate bill contained no similar provision.

The Senate recesses.

SUBTITLE F-DEPARTMENT OF DEFENSE DOMESTIC AND OVERSEAS DEPENDENTS' SCHOOLS

Reauthorization of Department of Defense domestic elementary and secondary schools for dependents (sec. 351)

The Senate bill contained a provision (sec. 346) that would authorize continued operation of Department of Defense elementary and secondary schools within the United States, including territories, commonwealths, and possessions of the United States, when local education agencies are unable to provide appropriate education programs.

The House amendment contained a similar provision (sec. 351).

The House recesses with a clarifying amendment. The conferees agree that school boards for DOD elementary and secondary schools established under this section may participate in the development and oversight of fiscal, personnel, and education policies, procedures, and programs for the schools, except that the Secretary of Defense may issue any directive that the Secretary considers necessary for the effective operation of the school or the entire school system. The conference agreement would also require the Secretary to establish a process by which school boards may appeal such directives to the Secretary.

The conferees are concerned that subsection (c) of this conference agreement be cautiously implemented within Puerto Rico. The conferees recognize that continued eligibility for dependents of federal employees from agencies other than the Department of Defense to attend the Antilles Consolidated School System is necessary for the smooth operation of federal government activities in Puerto Rico. During initial implementation, the conferees expect the Department to consider the importance of program continuity when evaluating the educational needs of the children and to reach agreements with parents on the need for continued attendance of those students already enrolled.

Report on calculation and recovery of tuition costs of certain students enrolled in schools of the defense dependents' education system (sec. 352)

The House amendment contained a provision (sec. 353) that would require the Secretary of Defense to submit a report to the Committees on Armed Services of the Senate and House of Representatives and the Committee on Education and Labor of the House of Representatives not later than March 31, 1995 on the calculation and application of the tuition rate for schools in the defense dependents' education system.

The Senate bill contained no similar provision.

The Senate recesses.

Authority to accept gifts for Department of Defense domestic elementary and secondary schools (sec. 353)

The House amendment contained a provision (sec. 354) that would provide that the authority of the Secretary of Defense to accept gifts for the defense dependents' education system under section 2605 of title 10, United States Code, includes gifts for DOD domestic elementary and secondary schools.

The Senate bill contained no similar provision.

The Senate recesses.

Assistance to local educational agencies that benefit dependents of members of the armed forces and Department of Defense civilian employees (sec. 354)

The Senate bill contained a provision (sec. 347) that would authorize a total of \$58.0 million for payments to local school districts heavily impacted by DOD dependents in accordance with the authority contained in section 386 of the National Defense Authorization Act for Fiscal Year 1993.

The House amendment contained no similar provision.

The House recesses.

The conferees remain committed to quality education programs for military dependents and strongly support impact aid payments to school districts with large military-connected student populations. The conferees believe that the Department of Education should continue to manage the impact aid program, and that it should continue to make payments using funds appropriated for that purpose.

The conferees would like to stress that the authorization funds in this provision is the result of the unique problems resulting from the turbulence of the drawdown and the realignment of military forces. The conferees expect that such payments will be authorized only as necessary during the drawdown period.

SUBTITLE G-REVIEWS, STUDIES AND REPORTS

Reports on transfers of certain operation and maintenance funds (sec. 361)

The House amendment contained a provision (sec. 311) that would prohibit the Secretary of Defense from transferring any amounts in excess of \$20.0 million authorized and appropriated for operation and maintenance (O&M) operating forces accounts until after the Secretary submits a notification to Congress. The provision would also require a semiannual report on transfers of funds between and within certain O&M accounts.

The Senate bill contained no similar provision.

The Senate recesses with an amendment that would establish reporting requirements for fiscal years 1995, 1996 and 1997 on transfers of funds to and from certain readiness-related activities within the O&M accounts of the military services.

Review and report on use of operation and maintenance funds by the Department of Defense (sec. 362)

The House amendment contained a provision (sec. 368) that would require the Secretary of Defense to review DOD accounts to determine the extent to which funds appropriated for operation and maintenance are used for the activity for which the funds had been appropriated.

The Senate bill contained no similar provision.

The Senate recesses.

Cost comparison studies for contracts for advisory and assistance services (sec. 363)

The Senate bill contained a provision (sec. 363) that would require that, before the Secretary of Defense enters into a contract for advisory and assistance services with a value in excess of \$100,000, the Secretary shall determine whether DOD personnel can perform the services proposed to be covered by the contract. If the Secretary determines that such personnel have that capability, the Secretary shall conduct a study comparing the cost of performing the services with DOD and contractor personnel.

The House amendment contained a similar provision (sec. 372).

The House recesses.

Review by Defense Inspector General of cost growth in certain contracts (sec. 364)

The Senate bill contained a provision (sec. 362) that would require the Department of Defense Inspector General to review a representative sample of contracts for the performance of commercial activities which resulted from a cost comparison study conducted under OMB Circular A-76.

The House amendment contained a similar provision (sec. 371) that would require the DOD IG to review not less than 20 percent of such contracts each year.

The House recesses.

SUBTITLE H-OTHER MATTERS

Armed Forces Retirement Home (sec. 371)

The Senate bill contained a provision (sec. 343) that would authorize the Secretary of Defense annually to increase the monthly assessment on active duty enlisted members and warrant officers to support the Armed Forces Retirement Home by fifty cents, up to a total of not more than two dollars per month. This section would also authorize the Armed Forces Retirement Home Board to increase the fee structure for residents of the Home, and direct the Board to identify and evaluate alternatives for modernization of the facilities of the United States Soldiers' and Airmen's Home.

The House amendment contained a provision (sec. 361) that would increase the fees paid by residents of the Armed Forces Retirement Home.

The House recesses with an amendment that would authorize the Secretary of Defense to increase the monthly assessment from fifty cents to one dollar per month. The conferees urge the Secretary and the Armed Forces Retirement Home Board to consider alternative methods of meeting the financial needs of the Armed Forces Retirement Home. The conferees direct the Secretary of Defense to seek the views of the senior enlisted member of each military service prior to December 1, 1994 on the effect of any increase in the current assessment, and report these views to the congressional defense committees.

The conferees strongly endorse the need for the report to identify and evaluate all alternatives for modernization of the facilities of the United States Soldiers' and Airmen's Home.

Limitation on use of appropriated funds for operation of Armed Forces Recreation Center, Europe (sec. 372)

The House amendment contained a provision (sec. 313) that would prohibit the use of appropriated funds to operate the Armed Forces Recreation Center, Europe except for payment of utilities, emergency repairs, and second destination transportation.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would include real property maintenance in the categories for which the use of appropriated funds is permitted.

Limitation on retention of morale, welfare, and recreation funds by military installations (sec. 373)

The House amendment contained a provision (sec. 312) that would limit retention of nonappropriated fund cash balances.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would make clarifying changes.

Ships' stores (sec. 374)

The Senate bill contained a provision (sec. 353) that would amend section 371 of the National Defense Authorization Act for Fiscal Year 1994 by repealing the requirement that the Secretary of the Navy convert the operation of all ships' stores to operation by the Navy Exchange Service Command.

The House amendment contained a provision (sec. 378) that would extend the deadline for conversion of ships' stores to operation by the Navy Exchange to October 1, 1995.

The Senate recedes with an amendment that would change the deadline to December 31, 1995 and require a report by the Navy Audit Agency on the costs and benefits of the transfer.

Operation of military exchange and commissary store at Naval Air Station Fort Worth, Joint Reserve Center, Carswell Field (sec. 375)

The House amendment contained a provision (sec. 377) that would provide for the operation by the Army and Air Force Exchange Service, until December 31, 1995, of any military exchange and commissary store located at the Naval Air Station Fort Worth, Joint Reserve Center, Carswell Field.

The Senate bill contained no similar provision.

The Senate recedes. The conferees agree that the operation of this and similar stores provides valuable quality-of-life benefits at no or minimum cost. In the future, the conferees would consider the use of appropriated funds where a compelling case can be made to keep benefits intact, although such stores may not achieve former levels of profitability. The conferees encourage the Secretary of Defense to initiate similar demonstration projects at other sites, including Fort Benjamin Harrison, Indian and Homestead Air Force Base, Florida, as these installations are closed or realigned.

Disposition of proceeds from operation of the Naval Academy laundry (sec. 376)

The Senate bill contained a provision (sec. 348) that would make technical changes to section 6971 of title 10, United States Code, relating to the disposition of proceeds from certain activities at the United States Naval Academy.

The House amendment contained no similar provision.
The House recedes.

Authority to issue military identification cards to so-called honorary retirees of the Naval and Marine Corps Reserves (sec. 377)

The House amendment contained a provision (sec. 382) that would permit the issue of identification cards to certain retirees of the Naval Reserve. Commissary and exchange privileges would not be authorized with the issue of this identification card.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would make clarifying changes.

Repeal of annual limitation on expenditures for emergency and extraordinary expenses of the Department of Defense Inspector General (sec. 378)

The Senate bill contained a provision (sec. 349) that would remove the statutory ceiling on the Inspector General, Department of Defense, for emergency and extraordinary expenses authority provided in section 361 of the National Defense Authorization Act for Fiscal Year 1994.

The House amendment contained no similar provision.

The House recedes.

Transfer of certain excess Department of Defense property to educational institutions and training schools (sec. 379)

The Senate bill contained a provision (sec. 352) that would authorize DOD to donate certain industrial machinery, which is currently on loan to educational institutions and training schools, directly to those entities when the Secretary of Defense determines that such a donation contributes materially to national defense.

The House amendment contained a similar provision (sec. 386).

The House recedes with a clarifying amendment.

Operation of overseas facilities of the Department of Defense by United States firms (sec. 380)

The House amendment contained a provision (sec. 384) that would require that a contract for the operation of a DOD facility outside the United States for production or distribution of subsistence items be awarded to a U.S. firm.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would express the sense of Congress that, to the maximum extent practicable, U.S. firms be given preference for operating DOD facilities that serve U.S. servicemen and women.

Requirements for automated information systems of the Department of Defense (sec. 381)

The House amendment contained a provision (sec. 370) that would limit the amount available to the Department of Defense for the new development and modernization of automated data processing programs in fiscal year 1995, and restrict new development and modernization until several determinations are made.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to determine that modernization projects for automated information systems costing more than \$50.0 million have met certain criteria. This amendment would also require the Secretary of Defense to (1) develop guidance for the use of automated information systems by the Department of Defense; (2) establish performance measures and management controls for the supervision and management of the development and modernization of such systems; and (3) submit a report to the congressional defense committees on the establishment and implementation of these performance measures and management controls in each of the next three years.

The report required by this amendment should display the total funds provided for the defense information technology program (as identified in the information technology exhibits (43 series)), including funds in the Defense Business Operations Fund, and explain how these funds affect functional mission outcomes. The report shall include information by functional area on the (1) selection and conversion of migration systems for automated information management systems; (2) systems that will be migrated or eliminated; (3) total cost of migration, including conversion and interface costs; (4) number and cost of corporate data elements that have been standardized and implemented; and (5) improvements that have been made to the defense information infrastructure, including the savings that have been achieved by such improvements.

Program to commemorate World War II (sec. 382)

The Senate bill contained a provision (sec. 350) that would extend the authorization through fiscal year 1996 for the Secretary of Defense to conduct a program to commemorate the 50th anniversary of World War II.

The House amendment contained a provision (sec. 379) that would also extend this authorization through fiscal year 1996. In addition, the House provision would authorize the Secretary of Defense to reimburse expenses incurred by a person to provide for the participation of the S.S. Jeremiah O'Brien in programs and activities to commemorate the 50th anniversary of World War II.

The Senate recedes with an amendment that would require a report not later than March 31, 1995 by the Executive Director of the 50th Anniversary of World War II Commemoration Committee to the Secretary of Defense on the reimbursement of persons or groups for expenses incurred in providing voluntary support for activities and programs conducted under the World War II commemoration program. The report shall include the recommendations of the Commemoration Committee on whether such reimbursements are appropriate.

Assistance to Red Cross for emergency communications services for members of the Armed Forces and their families (sec. 383)

The Senate bill contained a provision (sec. 355) that would authorize the Secretary of Defense to reimburse, over a three-year period from the funds authorized for Defense-wide Activities, the American Red Cross for emergency communication services provided to servicemembers and their families.

The House amendment contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to report to the Committees on Armed Services of the Senate and House of Representatives each year for the next three years on the need to support the Red Cross emergency communications services provided to servicemembers and their families. This report should include an assessment of the progress made by the Red Cross in developing alternative sources of funding and any recommendations the Secretary deems appropriate.

The conferees believe that the emergency communications services provided to the Department of Defense by the American Red Cross are very important to military readiness and to the welfare of military men and women and their families. The conferees believe it is appropriate for the Department to assist the Red Cross during a limited period of time with funding for this service while the Red Cross develops alternative means of financing these services. This assistance should not exceed \$14.5 million per year for a period not to exceed three years. If, at the end of the three-year period, or during the three-year period, the Secretary of Defense determines that the Red Cross cannot provide emergency communication services to the military without funding from the Department of Defense, the Department of Defense should be prepared to implement other means of providing those services.

Clarification of authority to provide medical transportation under National Guard pilot program (sec. 384)

The Senate bill contained a provision (sec. 344) that would clarify that the authority contained in section 376 of the National Defense Authorization Act for Fiscal Year 1993 for the National Guard Bureau to carry out a pilot program to use National Guard personnel in medically underserved communities includes medical care services, dental care services, and transportation by air ambulance and other transportation for medical reasons.

The House amendment contained no similar provision.

The House recedes.

National Guard assistance for youth and charitable organizations (sec. 385)

The Senate bill contained a provision (sec. 1063) that would authorize members or units of the National Guard to provide assistance to specified organizations under certain conditions in conjunction with training. Additionally, this provision would authorize the use of equipment and facilities of the National Guard, including military property of the United States issued to the National Guard and General Services Administration vehicles leased to the National Guard and the Department of Defense, in carrying out these programs.

The House amendment contained a similar provision (sec. 362), but it would not authorize assistance to include security services or authorize assistance to the U.S. Olympic Committee. Additionally, the House provision did not address the use of equipment and facilities of the National Guard, including military property of the United States issued to the National Guard and General Services Administration vehicles leased to the National Guard and the Department of Defense.

The House recedes with an amendment that would not authorize the assistance to include security assistance.

One-year extension of certain programs (sec. 386)

The Senate bill contained a provision (sec. 351) that would extend for one year, until the end of fiscal year 1995, the authority for aviation depots and naval shipyards to engage in defense-related production and services.

The House amendment contained a provision (sec. 380) that would extend for one year the demonstration project for the use of proceeds from the sale of certain property; the authority for aviation depots and naval shipyards to engage in defense-related production and services; and the authority of base commanders over contracting for commercial activities.

The Senate recedes.

Procurement of portable ventilators for the Defense Medical Facility Office, Fort Detrick, Maryland (sec. 387)

The Senate bill contained a provision (sec. 361) that would authorize \$2.5 million for the procurement of portable ventilators for the Defense Medical Facility Office, Fort Detrick, Maryland.

The House amendment contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

National Security Education Trust Fund obligations

The Senate bill contained a provision (sec. 304) that would authorize the obligation of funds from the National Security Education Trust Fund for fiscal year 1995.

The House amendment contained no similar provision.

The Senate recedes.

Maritime prepositioning ship enhancement

Section 2218 of title 10, United States Code, establishes and governs management and funding of the National Defense Sealift Fund. The Senate bill included a provision (sec. 356) that would amend section 2218 to add a new subsection. This new subsection would authorize the Department to purchase up to three foreign-built vessels for the Marine Corps maritime prepositioning ship (MPS) program.

The House amendment contained no similar provision.

The Senate recedes.

Roll-on/roll-off vessels for the Ready Reserve Force

The Senate bill contained a provision (sec. 357) that would permit the Secretary of Defense to transfer up to \$43.0 million to the Maritime Administration for purchasing roll-on/roll-off (RO/RO) vessels for the Ready Reserve Force (RRF) of the National Defense Reserve Fleet.

The House amendment contained no similar provision.

The Senate recedes. However, the conferees agree that, should funds be appropriated exclusively for the purchase of RO/RO vessels for the RRF in fiscal year 1995, the Department of Defense may transfer these funds to the Maritime Administration for buying and converting such vessels for the RRF.

Limitation on use of specification for procurement of subsistence items

The House amendment contained a provision (sec. 314) that would prohibit the Secretary of Defense from using specifications or restrictions in the procurement of subsistence items for use at military installations and shore facilities.

The Senate bill contained no similar provision.

The House recedes.

The conferees note that the Office of the Secretary of Defense recently issued a directive to the military departments and the Defense Logistics Agency stating that, for the purchase of subsistence items for installation and shore facility use, commercial items will be requested and no military specifications or restrictive commercial item descriptions will be used.

Consideration of costs of closing Department of Defense depots in certain cost comparisons

The House amendment contained a provision (sec. 325) that would require including the cost of closing Department of Defense depots in any comparison of the cost of performing depot-level maintenance and repair work by non-federal government personnel with the cost of performing such work by employees of the Department of Defense.

The Senate bill contained no similar provision.

The House recedes.

Maintenance of sufficient depot-level facilities, activities, facilities, and employees of the Department of Defense

The House amendment contained a provision (sec. 328) that would require the Secretary of Defense to maintain sufficient depot-level activities, facilities, and employees to carry out all provisions of title III of the House amendment.

The Senate bill contained no similar provision.

The House recedes.

Survey and pilot program for the transfer of Department of Defense domestic dependent elementary and secondary schools to appropriate local educational agencies

The House bill contained a provision (sec. 352) that would require the Secretary of Defense to conduct a survey to determine the feasibility of, and actions necessary to be taken to effect, the transfer of the DOD schools to local education agencies (LEA). The provision would also require the Secretary to conduct a pilot program and transfer two schools to LEAs prior to the start of the 1995/1996 school year on terms that are agreeable to the LEA.

The Senate amendment contained no similar provision.

The House recedes.

The conferees direct the Secretary of Defense to conduct a survey of domestic elementary and secondary schools operated by the Department of Defense to collect information concerning the possibility of transferring the schools to LEAs. The Secretary shall also conduct a survey of school districts operated by local educational agencies with military-connected student populations of over 30 percent to determine the level of funding for such schools and the sources of that funding.

In conducting the survey of current Department of Defense domestic dependent schools, the Secretary shall coordinate with LEAs adjacent to the DOD-operated schools, education officials of the states in which the schools are located, and parent organizations representing parents with students enrolled in the DOD-operated schools.

The survey of each domestic school system operated by DOD shall include: (1) the opinions and attitudes of the parents of the students enrolled in the schools regarding the quality of education programs and transfer of DOD domestic dependent schools to LEAs; (2) the positions of the LEAs and appropriate education officials of the state in which the school is located regarding the responsibility of LEAs to educate military-connected students who reside on military installations, including the financial and legal basis for those positions; and (3) the positions of the LEAs and appropriate educational officials of the state in which the school is located regarding the transfer of DOD domestic dependent schools to LEAs, including requirements of the LEAs and state education authorities for financial, military construction, and other support needed to facilitate transfer of the schools to the LEAs.

In conducting the survey of school districts operated by local educational agencies with military-connected student populations of over 30 percent, the Secretary shall coordinate with the LEAs operating the school districts, education officials of the state in which the school district is located, and military parents with students enrolled in the schools.

The survey of each school district operated by local educational agencies with military-connected student populations of over 30 percent shall include: (1) the previous level of financial support of DOD and other federal agencies, and the timing of political and fiscal decisions concerning the education of military-connected students; (2) the positions of the LEAs and education officials of the state in which the school district is located regarding the responsibility of LEAs to educate military-connected students who reside on military installations, including the financial and legal basis for those positions and the officials' awareness of differences in federal contributions to dependent education between DOD domestic dependent schools and Department of Education impact aid; (3) an analysis of the funding sources of such school districts, including comparisons with other school districts within the state that do not have a large percentage of military-connected students; and (4) the opinions and attitudes of military parents with children attending such schools districts regarding the quality of education programs in the schools.

The Secretary of Defense shall report the results of the surveys to the Committees on Armed Services of the Senate and the House of Representatives by December 31, 1995.

Department of Defense food inventory program

The House amendment contained a provision (sec. 363) that would require the Secretary of Defense to provide for the expanded use throughout the United States of full-line commercial distributors to meet the food requirements of the Department of Defense not later than October 1, 1996.

The Senate bill contained no similar provision.

The House recedes. The conferees note that the Department of Defense is currently planning expanded use of distributors for peacetime troop feeding within the continental United States.

Requirement of comparative report on operation and maintenance funding

The House amendment contained a provision (sec. 369) that would require the Secretary of Defense to compare the level of funding for operation and maintenance for the next fiscal year with the level of funding for each previous fiscal year beginning with fiscal year 1975.

The Senate bill contained no similar provision.

The House recedes.

The conferees share with the Defense Science Board Task Force on Readiness the concern that the Department has not developed a better link between readiness and the resource allocation process. The conferees note that the Department now plans to develop analytical tools that tie resources to readiness. The conferees are encouraged by this commitment to understand the cost of readiness. The conferees believe it is critical during this time of increasing budget pressures that the Department understand precisely the resources necessary to achieve desired levels of readiness.

Use of service contract funds for separation incentive programs for Department of Defense employees

The House amendment contained a provision (sec. 374) that would require the Secretary of Defense during fiscal year 1995 to fund separation incentive payments for federal civilian employees from those funds authorized and appropriated for service contracts with private sector entities.

The Senate bill contained no similar provision.

The House recedes.

Modification of statute of limitations for certain claims for personal property damage or loss

The House amendment contained a provision (sec. 383) that would change the statute of limitations for a claim for personal property damage from two years to one year.

The Senate bill contained no similar provision.

The House recedes.

Priority to states for the transfer of nonlethal excess supplies of the Department of Defense

The House amendment contained a provision (sec. 387) that would require that Defense Department nonlethal excess supplies be made available to state and local governments before such supplies are made available for humanitarian relief.

The Senate bill contained no similar provision.

The House recesses.

TITLE IV-MILITARY PERSONNEL AUTHORIZATIONS

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

End strengths for active forces (sec. 401)

The Senate bill contained a provision (sec. 401) that would authorize the active duty end strengths for each of the military services at the levels contained in the budget request.

The House amendment contained a similar provision (sec. 401).

The following table summarizes the authorized active duty end strengths for fiscal year 1995:

ACTIVE FORCES END STRENGTHS FOR FISCAL YEAR 1995				
		1994 Authorization	Fiscal year- 1995 Request	1995 Recommendation
Army:	Total	540,000	510,000	510,000
	Officer	88,855	82,300	82,300
Navy:	Total	480,800	441,641	441,641
	Officer	62,747	60,490	60,490
Marine Corps:	Total	177,000	174,000	174,000
	Officer	18,440	17,977	17,977
Air Force:	Total	425,700	400,051	400,051
	Officer	84,970	77,740	77,740
Total		1,623,500	1,525,692	1,525,592
Officer		254,739	238,507	238,507

Temporary variation of end strength limitations for Army majors and lieutenant colonels (sec. 402)

The House amendment contained a provision (sec. 502) that would amend section 523 of title 10, United States Code, to authorize a permanent revision in the strength limitations for Army commissioned officers on active duty in the grades of major and lieutenant colonel.

The Senate bill contained no similar provision.

The Senate recesses with an amendment that would provide in fiscal years 1995 and 1996 for temporary relief from the limitation on the number of officers on active duty in the grades of

major and lieutenant colonel and extend the relief granted in fiscal year 1996 through fiscal year 1997.

The conferees recognize that the current grade tables may not reflect the current officer accession and retention environment. Nonetheless, the conferees remain reluctant to address permanent changes to the grade tables in a piecemeal fashion and do not understand the Defense Department's reluctance to address this matter in a comprehensive manner.

The conferees will consider permanent adjustments to the grade tables when it receives from the Department of Defense the report on officer personnel management systems required by section 502 of the National Defense Authorization Act for Fiscal Year 1993. The conferees expect this report to include recommendations regarding the grade tables in section 524 of title 10, United States Code, for members of the reserve components serving on active duty.

Extension of temporary variation of end strength limitations for Marine Corps majors and lieutenant colonels (sec. 403)

The Senate bill contained a provision (sec. 402) that would extend through fiscal year 1997, the temporary increase in the number of Marine Corps officers authorized to serve in the grades of major and lieutenant colonel that was included in the National Defense Authorization Act for Fiscal Year 1994.

The House amendment contained no similar provision.

The House recedes.

The conferees recognize that the current grade tables may not reflect the current officer accession and retention environment. Nonetheless, the conferees remain reluctant to address permanent changes to the grade tables in a piecemeal fashion and do not understand the Defense Department's reluctance to address this matter in a comprehensive manner.

The conferees will consider permanent adjustments to the grade tables when it receives from the Department of Defense the report on officer personnel management systems required by section 502 of the National Defense Authorization Act for Fiscal Year 1993.

Retention of authorized strength of general officers on active duty in the Marine Corps for fiscal years after fiscal year 1995 (sec. 404)

The Senate bill contained a provision (sec. 403) that would modify section 526(a)(4) of title 10, United States Code, to permit the Marine Corps to retain the current number of 68 general officers serving on active duty after October 1, 1995.

The House amendment contained no similar provision.

The House recedes. The conferees intend the Marine Corps to maintain at least seven general officers assigned to joint positions at all times.

Exemption from grade accountability of certain four-star general and flag officer positions (sec. 405)

The Senate bill contained a provision (sec. 404) that would exempt the combatant commanders (CINCs), the Deputy Commander in Chief of the U.S. European Command (CINCEUR), and the Commander, U.S. Forces, Korea from the ceiling for grades above major general or rear admiral for a test period of three years. The exemption in each instance would be conditioned on (1) the positions being filled by four-star officers and, in the case of the Deputy CINCEUR, on CINCEUR also serving as Supreme Allied Commander, Europe, and 2) each of the

services having recommended an officer to the Secretary of Defense for consideration for the position to be exempted. This provision would also authorize the Chairman of the Joint Chiefs of Staff to recommend officers for appointment to these positions.

The House amendment contained no similar provision.

The House recedes with an amendment that would make clarifying changes.

The conferees note that this provision would exempt 11 four-star positions from the grade ceilings established for that grade, thereby increasing the number of three- and four-star positions that could be filled by 11 without an increase in the overall number of flag and general officers.

The conferees expressly intend that these exemptions not increase the number of four-star positions. Rather, these exemptions are to be used to fill those joint three-star positions that could not otherwise be filled after October 1, 1995, without this provision. The conferees direct the Department of Defense to use the flexibility provided by section 525(c) of title 10, United States Code, to ensure that each of the four Services can compete for these joint positions without regard to grade ceilings.

Although the CINC positions are open to nominations from each of the Services, the traditional patterns of filling these positions have not really changed. The conferees expect these traditional patterns to change as a result of the exemptions provided by this provision. The conferees hope that the Chairman of the Joint Chiefs of Staff does not have to exercise his authority to nominate officers for these positions, but the conferees expect him to do so if the services are not nominating the very best officers available for each position.

Temporary exclusion of Superintendent of Naval Academy from counting toward number of senior admirals authorized to be on active duty (sec. 406)

The Senate bill and the House amendment contained identical provisions (secs. 405 and 506, respectively) that would amend section 525 of title 10, United States Code, to provide that an officer who retired in the grade of admiral (if recalled to active duty, nominated by the President, and confirmed by the Senate for appointment to the grade of admiral while serving as the next Superintendent of the United States Naval Academy) would not count against the number of officers authorized to be on active duty in the grade of admiral (O-10) while so serving.

The contingencies and conditions in the Senate and House provisions have already been met; therefore, the conferees agree to delete them from the provision.

End strengths for Selected Reserve (sec. 411)

The Senate bill contained a provision (sec. 411) that would authorize Selected Reserve end strengths for each of the military services at the levels contained in the budget request for fiscal year 1995, except for the Naval Reserve and the Coast Guard Reserve. The Senate bill would authorize a Naval Reserve end strength of 109,000, which would exceed the level in the budget request by 8,290. The Senate bill would authorize a Coast Guard Reserve end strength of 8,000, which would exceed the level in the budget request by 1,000.

The House amendment contained a provision (sec. 411) that would authorize Selected Reserve end strengths for each of the military services at the levels contained in the budget request, except for the Coast Guard Reserve. The House amendment would authorize a Coast Guard Reserve end strength of 8,000, which would exceed the level in the budget request for 1,000.

The Senate recedes with an amendment that would authorize Selected Reserve end strengths for fiscal year 1995 as shown below:

	1994 Authorization	Fiscal year- 1995 Request	1995 Recommendation
Army National Guard	410,000	400,000	400,000
Army Reserve	260,000	242,000	242,000
Naval Reserve	118,000	100,710	102,960
Marine Corps Reserve	42,200	42,000	42,000
Air National Guard	117,700	115,581	115,581
Air Force Reserve	81,500	78,706	78,706
Coast Guard Reserve	10,000	7,000	8,000
Totals	1,039,400	985,997	989,247

The recommended authorization for the Naval Reserve reflects the conferees' expectation of further assessment of the future roles and missions of the Naval Reserve.

The conferees believe the recommended authorization for the Coast Guard Reserve end strength would allow the Coast Guard Reserve to reduce its authorized end strength by 20 percent during fiscal year 1995 while using statutory transition provisions to minimize involuntary separations.

End strengths for reservists on active duty in support of the reserves (sec. 412)

The Senate bill contained a provision (sec. 412) that would authorize the full-time active duty end strengths for each of the reserve components contained in the budget request.

The House amendment contained a similar provision (sec. 412).

The following table summarizes the authorized full-time active duty end strengths for each of the reserve components for fiscal year 1995:

	1994 Authorization	Fiscal year- 1995 Request	1995 Recommendation
Army National Guard	24,180	23,650	23,650
Army Reserve	12,542	11,940	11,940
Naval Reserve	19,718	17,510	17,510
Marine Corps Reserve	2,285	2,285	2,285
Air National Guard	9,389	9,098	9,098
Air Force Reserve	648	648	648
Totals	68,762	65,131	65,131

Delay in increase in number of active component personnel to be assigned for training compatability with Guard units (sec. 413)

The House amendment contained a provision (sec. 413) that would amend section 1132 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484) by extending from the beginning of fiscal year 1995 to the beginning of fiscal year 1997 the date by which the Army is to assign 3,000 non-commissioned officers and warrant officers to the pilot program for active component support of the reserves.

The Senate bill contained no similar provision.

The Senate recedes.

Authorization of training student loads (sec. 421)

The Senate bill and the House amendment contained identical provisions (secs. 421 and 421, respectively) that would authorize the active and reserve average military training loads contained in the budget request.

The following table summarizes the authorized military training loads for fiscal year 1995:

MILITARY TRAINING STUDENT LOADS FOR FISCAL YEAR 1995

	1994 Authorization	Fiscal year- 1995 Request	1995 Recommendation
Army	75,220	69,420	69,420
Navy	45,269	43,064	43,064
Marine Corps	22,753	25,377	25,377
Air Force	33,439	36,840	36,840
Totals	176,681	174,701	174,701

Increase in appropriations for military personnel (sec. 431)

The Senate bill contained a provision (sec. 431) that would authorize \$70,790,397,000.00 to be appropriated for military personnel in fiscal year 1995. This is an increase of \$315,000,000.00 to the amount requested by the Department of Defense.

The House amendment contained a provision (sec. 431) that would limit the amount authorized to be appropriated for military personnel to \$71,086,397,000, an increase of \$611,000,000 above the requested amount.

The Senate recedes with an amendment that would authorize \$70,938,597,000.00 to be appropriated for military personnel. This authorization would supersede the requirement to reduce the amount of funds available to the Department of Defense for permanent change of station moves.

General and flag officer requirements

The conferees note that the National Defense Authorization Act for Fiscal Year 1991 requires a significant reduction in the ceiling on the number of general and flag officers. In the statement of the managers accompanying the National Defense Authorization Act for Fiscal Year 1991 (H. Rept. 101-923), the conferees noted that the specific fiscal year 1995 ceilings are for planning purposes and urged the Secretary of Defense to review those ceilings and recommend appropriate reallocations to the Committees on Armed Services of the Senate and House of Representatives.

If relief from the general and flag officer limitations is required, the conferees encourage the Secretary of Defense, in conjunction with the Chairman of the Joint Chiefs of Staff, to forward to the Committees on Armed Services a single, comprehensive legislative proposal that addresses the Department's joint and external general and flag officer requirements, as well as the general and flag officer requirements internal to each service.

TITLE V-MILITARY PERSONNEL POLICY

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Consistency of warrant officer personnel management policies with policies applicable to other officers (sec. 501)

The Senate bill contained a provision (sec. 502) that would amend chapter 33A of title 10, United States Code, concerning the personnel management of warrant officers, to make certain sections in the chapter consistent with provisions applicable to commissioned officers other than warrant officers. The provision would also apply the sections in chapter 33A to retired warrant officers who are recalled for active duty.

The House amendment contained a similar provision (sec. 503).

The House recedes.

Authority for original regular appointments of Navy and Marine Corps limited duty officers serving in grades above pay grade 0-3 under temporary appointments (sec. 502)

The Senate bill contained a provision (sec. 506) that would amend section 5589 of title 10, United States Code, to permit original appointments as regular officers of the Navy or Marine Corps in the same grade held pursuant to a temporary appointment.

The House amendment contained a similar provision (sec. 504).

The House recedes with an amendment that would make clarifying changes.

Navy and Marine Corps limited duty officers twice having failed of selection for promotion (sec. 503)

The Senate bill contained a provision (sec. 503) that would amend section 6383 of title 10, United States Code, to establish the same right to achieve retirement eligibility for limited duty officers of the Navy and Marine Corps that now exists for officers not appointed as limited duty officers and for warrant officers.

The House amendment contained a similar provision (sec. 505).

The House recedes with an amendment that would make clarifying changes.

Selection for designated judge advocate positions (sec. 504)

The Senate bill contained a provision (sec. 507) that would require the Secretary of Defense to ensure that officers selected to serve in senior judge advocate positions are chosen by impartial boards of officers.

The House amendment contained no similar provision.

The House recedes with an amendment that would make clarifying changes and that would provide that an officer who is appointed to and retires in such a position shall be retired in the grade held while so serving.

Selected Reserve activation authority (sec. 511)

Under section 673b of title 10, United States Code, often called the Presidential call-up authority, when the President determines that it is necessary to augment the active forces for an operational mission, the President may authorize the Secretary of Defense and the Secretary of Transportation to order units of the Selected Reserve to active duty for up to 90 days. The activation authority is limited to calling up not more than 200,000 members of the Selected Reserve at any one time. The President may authorize the Secretary of Defense and the Secretary of Transportation to extend the period of activation for an additional 90 days.

The Senate bill contained a provision (sec. 512) that would allow the President to use the authority under this section for a single 180-day call-up period. The Senate provision also would require the Secretary of Defense to submit to the congressional defense committees, not later than April 1, 1995, an analysis of options for increasing the Presidential call-up authority and an assessment of the effects of these options on recruiting, retention, and employer support for the reserve components. The Senate provision would not affect other provisions of law, such as 10 U.S.C. 672 and 673, which provide broader authority to mobilize the reserves for extended periods of service during war or national emergency.

The House amendment contained a provision (sec. 511) that would increase the initial period of activation in section 673b from 90 to 180 days and would permit a follow-on period of activation for another 180 days as well. The House provision would further specify that, if the President determines that augmentation of the active forces may be necessary for an operational mission that the President authorizes to be carried out, the President may, on or after the date of that mission authorization, authorize the Secretary of Defense and the Secretary of Transportation to order units of the Selected Reserve to active duty for up to 90 days. This additional activation authority would be limited to not more than 25,000 members of the Selected Reserve for a period of 90 days.

The House recedes with an amendment that would amend section 673b of title 10, United States Code, to permit the President to authorize the Secretary of Defense and the Secretary of Transportation to order up to 200,000 members of the Selected Reserve to active duty for a single period of 270 days, without the declaration of war or national emergency required for the general or partial mobilization authorities in sections 672 and 673 of title 10, United States Code. The conference agreement would also require the Secretary of Defense to submit to the congressional defense committees, not later than April 1, 1995, an analysis of options for increasing the Presidential call-up authority and an assessment of the effects of these options on recruiting, retention, and employer support for the reserve components.

The Department of Defense requested broader authority for the President to delegate the Selected Reserve activation authority to the Secretary of Defense and the Secretary of Transportation, which was included in neither the Senate bill nor the House amendment. The conference agreement would not amend the circumstances under which the President can use the authority under section 673b of title 10, United States Code, and would not provide for any broader delegation of authority to the Secretary of Defense and the Secretary of Transportation.

The Department of Defense has indicated that the time required for the President to exercise his authority under section 673b of title 10, United States Code, will cause military planners to exclude reserve component personnel from contingency plans. The conferees reject that line of reasoning and fully expect the Department of Defense, and particularly the commanders of the combatant commands, to continue to plan for, count on, and use members of the Selected Reserve among early deploying forces. Perceived impediments to the planning for and timely use of reserve component personnel and units can and should be overcome without legislative action. In that light, the conferees expect the Department of Defense and the White House to work together to develop and implement the plans and procedures necessary under a wide range of scenarios to ensure timely access to members of the Selected Reserve under section 673b of title 10, United States Code, and other authorities.

Reserve general and flag officers on active duty (sec. 512)

The House amendment contained a provision (sec. 512) that would amend section 526 of title 10, United States Code, to require that at least 15 reserve component general and flag officers serve on active duty. The authorizations for these reserve component officers would be within the total number of general and flag officers authorized to serve on active duty in each military service. This provision would also authorize a reserve general officer to serve as the military executive to the Reserve Forces Policy Board.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to notify the Committees on Armed Services of the Senate and House of Representatives in writing 60 days prior to taking an action that would: (1) change the grade authorized as of July 1, 1994, for a general or flag officer position in the National Guard Bureau, the office of a chief of a reserve component, or a reserve component command; (2) assign a reserve officer to a general or flag officer position in the National Guard Bureau, the office of a chief of a reserve component, or a reserve component command in a grade other than the grade authorized on July 1, 1994; or (3) assign an officer other than a general or flag officer as the military executive to the Reserve Forces Policy Board. Such a notification would include the analysis which justifies the intended action.

Review of opportunities for ordering individual reservists to active duty with their consent (sec. 513)

The Senate bill contained a provision (sec. 511) that would require the Secretary of Defense to review and report to the Committees on Armed Services of the Senate and the House of Representatives regarding the opportunities for individual members of the reserve components to be called to active duty, with their consent, to serve during peacetime in positions traditionally filled by active duty personnel in support of peacetime requirements.

The House amendment contained no similar provision.

The House recedes.

In another provision in this act, the conferees reduced the minimum required reserve service for eligibility for retired pay for non-regular serve during the force drawdown period. The conferees direct the Secretary of Defense to review the provisions of section 1331 of title 10, United States Code, as part of the review of impediments for members of the reserve components to serve on active duty. The Secretary of Defense should submit any recommended legislative changes to the Congress.

Definition of active Guard and reserve duty (sec. 514)

The House amendment contained a provision (sec. 513) that would amend section 101 of title 10, United States Code, to provide a definition for the term "active Guard and Reserve duty."

The Senate bill contained no similar provision.

The Senate recedes with a technical amendment.

Repeal of obsolete provisions pertaining to transfer of retired regular enlisted members to reserve components (sec. 515)

The Senate bill contained a provision (sec. 513) that would repeal obsolete provisions pertaining to the retired reserve.

The House amendment contained a similar provision (sec. 514).

The Senate recedes.

Semiannual report on separations of active Army officers (sec. 516)

The House amendment contained a provision (sec. 516) that would require the Secretary of the Army to furnish to the Chief, National Guard Bureau, on a semiannual basis, the name, home of record, and last-known mailing address of each officer who was honorably separated from the Army in the grade of major and below during the previous six-month period.

The Senate bill contained no similar provision.

The Senate recesses.

Early reserve retirement eligibility for disabled members of Selected Reserve (sec. 517)

The House amendment contained a provision (sec. 515(a)) that would authorize the service secretaries to provide for early qualification for retired pay at age 60 for certain members of the Selected Reserve who become physically unfit for continued service.

The Senate bill contained no similar provision.

The Senate recesses.

Annual payments for members retired under Guard and reserve transition initiative (sec. 518)

The Senate bill contained a provision (sec. 642) that would modify the special transition program of annual payments for reservists authorized by section 4416 of the National Defense Authorization Act for Fiscal Year 1993. The provision would revise the current program of five annual payments to authorize from one to five such payments.

The House amendment contained a similar provision (sec. 515(b)) that would amend title 10, United States Code, to modify the program of Guard and reserve transition initiatives enacted by the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484).

The House recesses with an amendment that would eliminate the requirement for the recoupment of payments once a member who has received payments under this provision begins to receive retired pay.

Educational requirements for appointment in reserve components in grades above first lieutenant or lieutenant junior grade (sec. 519)

The Senate bill contained a provision (sec. 504) that would modify section 596 of title 10, United States Code, to authorize the acceptance of college credits and degrees from non-accredited schools for the purpose of meeting the degree requirement of section 596 if at least three accredited schools accept such credits.

The House amendment contained no similar provision.

The House recesses with an amendment that would clarify the circumstances under which this authority could be used.

Limited exception for Alaska scout officers from baccalaureate degree requirement for appointment as an officer in the National Guard above first lieutenant (sec. 520)

The Senate bill contained a provision (sec. 505) that would exempt year-round Alaska Native residents who are officers in the Alaska Army National Guard serving in Eskimo Scout units or Eskimo Scout supporting units from the requirement to obtain a baccalaureate degree in order to advance above the grade of lieutenant.

The House amendment contained no similar provision.

The House recesses with an amendment that would make clarifying changes.

Sense of Congress concerning the training and modernization of the reserve components (sec. 521)

The Senate bill contained a provision (sec. 514) that would express the sense of the Senate that the Department of Defense should establish a standard readiness and evaluation system and that it would provide in its annual budget submissions adequate resources to ensure that the National Guard and reserve units are trained and modernized to the standards needed for them to carry out the full range of missions required under the Bottom-Up Review.

The House amendment contained no similar provision.

The House recedes with an amendment that would express the sense of Congress that the Secretary of Defense should: 1) establish a standard readiness evaluation system for all forces within each military service and a standard readiness rating that is uniform for the military departments; 2) assess the budget submission of each military department for each year to determine (taking into consideration the advice of the Chairman of the Joint Chiefs of Staff) the extent to which National Guard and reserve units would, under that budget submission, be trained and modernized to the standards needed to carry out the full range of missions required under current Department of Defense plans; and 3) based upon this assessment each year, adjust the budget submissions of the military departments in order to meet the priorities established by the Secretary of Defense for the total force.

Prohibition of retaliatory actions against members of the armed forces making allegations of sexual harassment or unlawful discrimination (sec. 531)

The House amendment contained a provision (sec. 527) that would establish procedures for investigation, review, and corrective action in cases involving alleged reprisal against members of the armed forces making allegations of sexual harassment or unlawful discrimination.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would clarify that the prohibition against retaliatory actions in 10 U.S.C. 1034 applies to matters involving sexual harassment and unlawful discrimination. The amendment would also revise section 1034 to make it clear that it protects communications to a Member of Congress, an Inspector General, a member of a DOD audit, inspection, investigation, or law enforcement organization, or any other person or organization designated by regulations or other established procedures to receive such communications.

Department of Defense policies and procedures on discrimination and sexual harassment (sec. 532)

The Senate bill contained a provision (sec. 1056) that would establish a procedure for review and revision of DOD policies and procedures related to unlawful discrimination and sexual harassment.

The House amendment contained no similar provision.

The House recedes with an amendment. Subsection (a) of the conference agreement would require the Department of Defense Task Force on Discrimination and Sexual Harassment to transmit its report to the Secretary of Defense not later than October 1, 1994. The Secretary of Defense would transmit a copy of the report to Congress not later than October 10, 1994.

Subsection (b) would require the Secretary of Defense to review the recommendations in the report and determine which recommendations to approve or disapprove. Not later than 45 days after receiving the report, the Secretary would be required to complete the review and transmit a report to Congress that identifies the approved and disapproved recommendations, and explains the reasons for each such approval and disapproval.

Subsection (c) would require the Secretary of Defense to develop a comprehensive DOD policy to ensure that the service secretaries prescribe regulations implementing the approved recommendations not later than March 1, 1995. The provision would require that the approved

recommendations be implemented uniformly by the military departments, insofar as practicable. This provision also would require the Secretary of Defense to submit to Congress, not later than March 31, 1995, a proposal for any legislation necessary to enhance the Department's capability to address the issues of discrimination and sexual harassment.

Subsection (d) would require the Secretary of the Navy and the Secretary of the Air Force, in the development of implementing regulations, to revise their equal opportunity and complaint procedures in light of the recommendations of the Task Force and the experience of the other military services. The Air Force and Navy would be required to ensure that their equal opportunity and complaint procedure regulations would be substantially equivalent to the regulations of the Army on such matters. The conferees intend that the requirement for the Navy and Air Force procedures to be "substantially equivalent" to the Army procedures means that the Navy and Air Force regulations must be as specific as the Army regulations in addressing these issues.

The conference agreement would make it clear that the Navy and Air Force could implement regulations that go beyond the substantial equivalent of the Army's regulations. The conference agreement also would require the Army to review and revise its complaint regulations.

Subsection (e) would require the Advisory Board on the Investigative Capability of the Department of Defense to include in its report recommendations as to whether the current DOD organizational structure is adequate to oversee all investigative matters related to unlawful discrimination, sexual harassment, and other misconduct related to the gender of the victim. This would include examination of the question of whether there should be a separate DOD unit to oversee matters related to allegations of discrimination, sexual harassment, or other misconduct related to the gender of the victim. The conference agreement also would require the Advisory Board to determine whether additional data collection and reporting procedures are needed to enhance the ability of the Department of Defense to deal with discrimination, sexual harassment, and other misconduct related to the gender of the victim.

Subsection (f) would require the Secretary of Defense to ensure that the regulations that currently govern consideration of equal opportunity matters in performance evaluations include consideration of an individual's commitment to elimination of discrimination and sexual harassment.

Annual report on personnel readiness factors by race and gender (sec. 533)

The House amendment contained a provision (sec. 528) that would require the Secretary of Defense to collect data and report annually, starting in fiscal year 1996, on specific recruiting, retention, and readiness issues related to gender and race.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would clarify the subject of the report.

Victims' advocates programs in the Department of Defense (sec. 534)

The House amendment contained a provision (sec. 526) that would require the Secretary of Defense to establish within each of the military departments victim advocate programs for members of the armed forces and their dependents who are victims of sexual and physical abuse, unlawful discrimination, or sexual harassment.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to strengthen the Department's victim and witness assistance programs and its family advocacy program to assist members of the armed forces and their dependents who are victims of crime, intra-familial abuse, sexual harassment, and unlawful discrimination.

Transitional compensation and other benefits for dependents of members separated for dependent abuse (sec. 535)

The Senate bill contained a provision (sec. 522) that would improve the benefits and change the commencement date and duration of the program authorized in section 1058 of title 10, United States Code (as added by section 554(a)(1) of Public Law 103-160) for transitional compensation to dependents of members separated for dependent abuse.

The House amendment contained no similar provision.

The House recedes with an amendment that would make clarifying changes.

Study of spousal abuse involving armed forces personnel (sec. 536)

The Senate bill contained a provision (sec. 1084) that would require the Secretary of Defense to study spousal abuse by armed forces personnel.

The House amendment contained no similar provision.

The House recedes.

Extension of Warrant Officer Management Act to Coast Guard (sec. 541)

The House amendment contained a provision (sec. 523) that would amend titles 10 and 14, United States Code, to include Coast Guard warrant officers under the provisions of the Warrant Officer Management Act.

The Senate bill contained no similar provision.

The Senate recedes.

Coast Guard force reduction transition benefits (sec. 542)

The House amendment contained a provision (sec. 522) that would extend eligibility to members of the Coast Guard for the force reduction period for the personnel readjustment benefits authorized by the National Defense Authorization Acts for Fiscal Year 1991 (Public Law 101-510), Fiscal Years 1992 and 1993 (Public Law 102-190), and Fiscal Year 1993 (Public Law 102-484).

The Senate bill contained no similar provision.

The Senate recedes with a technical amendment.

Expand personnel adjustment, education, and training programs to include the United States Coast Guard (sec. 543)

The House amendment contained a provision (sec. 1137) that would expand certain personnel adjustment, education, and training programs to the United States Coast Guard.

The Senate bill contained no similar provision.

The Senate recedes.

Repeal of required reduction in recruiting personnel (sec. 551)

The Senate bill contained a provision (sec. 441) that would repeal section 431 of the National Defense Authorization Act for 1993 which limits the number of personnel carrying out recruiting activities after September 30, 1994.

The House amendment contained an identical provision (sec. 521).

The conference agreement includes this provision.

Authorized active duty strengths for Army enlisted members in pay grade E-8 (sec. 552)

The House amendment contained a provision (sec. 524) that would amend section 517(a) of title 10, United States Code, to provide a new authorized daily average number of enlisted members on active duty (other than for training) in the Army in pay grade E-8.

The Senate bill contained no similar provision.

The Senate recesses.

Prohibition on imposition of additional charges or fees for attendance at certain academies (sec. 553)

The House amendment contained a provision (sec. 531) that would prohibit the imposition of any charge or fee for tuition, room or board for attendance at the United States Military Academy, United States Naval Academy, United States Air Force Academy, United States Coast Guard Academy, or United States Merchant Marine Academy.

The Senate bill contained no similar provision.

The Senate recesses.

Survey on the state of race and ethnic issues in the military (sec. 554)

The House amendment contained a provision (sec. 536) that would require the Secretary of Defense to carry out a biennial survey to measure the state of racial and ethnic issues and discrimination among active duty military personnel.

The Senate bill contained no similar provision.

The Senate recesses with an amendment that would change the deadline for the first survey to May 1, 1995.

Review of certain discharges from the United States Military Academy (sec. 555)

The Senate bill contained a provision (sec. 521) that would require the Secretary of the Army to review the discharge from the United States Military Academy of James Webster Smith in 1874 and Jackson Chestnut Whittaker in 1882 to determine whether the proceedings were tainted by racial prejudice or other improper factors.

The House amendment contained a similar provision (sec. 537).

The House recesses with a clarifying amendment.

Administration of athletics programs at the service academies (sec. 556)

The Senate bill contained a provision (sec. 1090) that would establish as a civil service position the position of athletic director at the United States Military Academy, United States Naval Academy, and United States Air Force Academy. The provision would also establish nonappropriated fund accounts for the athletic programs of the academies.

The House amendment contained no similar provision.

The House recesses with an amendment that would change the effective date of this provision to January 1, 1996.

The conferees note a September 1991 report of the General Accounting Office, The Organizational Status, Financial Status, and Oversight of the Naval Academy Athletic Association. Nonetheless, the conferees direct the Secretary of the Navy to report to the Committees on Armed Services of the Senate and House of Representatives not later than March 15, 1995 on: (1) the projected cost to the Department of the Navy of implementing the changes required by this section; (2) the time lines and milestones for implementing these changes; (3) the details on how the position of athletic director would be established, including the anticipated civil service grade or pay level

and any required exemptions to statutes governing Federal civil service employees; and (4) other matters relevant to this issue.

Upon receipt of this report, the Committees on Armed Services will evaluate its information with the intent of adopting, if necessary, perfecting legislation prior to the effective date of this provision.

Reimbursement for certain losses of household effects caused by hostile action (sec. 557)

The Senate bill contained a provision (sec. 654) that would authorize the secretaries of the military departments to reimburse servicemembers for the loss of household goods sustained during a permanent change of station move when the loss is caused by hostile action incident to war or a warlike action by a military force.

The House amendment contained a similar provision (sec. 525).

The House recedes with an amendment that would make clarifying changes.

Military recruiting on campus (sec. 558)

The Senate bill contained a provision (sec. 1076) that would preclude an institution of higher education that denies or prevents recruiting on campus from receiving DOD funds.

The House amendment contained a similar provision (sec. 535), but included "any educational institution" among those to be covered by this provision.

The House recedes.

Authorization for instruction of civilian students at the foreign language center of the Defense Language Institute (sec. 559)

The House amendment contained a provision (sec. 532) that would authorize the Secretary of the Army to establish a program terminating in 1997 to allow civilians to receive instruction at the Defense Language Institute.

The Senate amendment contained no similar provision.

The Senate recedes.

Discharge of members who are permanently non-worldwide assignable (sec. 560)

The House amendment contained a provision (sec. 534) that would require that members of the armed forces who are classified as permanently non-worldwide assignable due to a medical condition be involuntarily separated from the service, either through retirement for those individuals who are retirement eligible, or through discharge for all others. This provision would also allow the service secretary concerned to waive this required separation in certain cases, including through a determination that the retention of these individuals, as a class, would not adversely affect the ability of the service to carry out its mission.

The Senate bill contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Authority for officers to serve on successive promotion boards

The Senate bill contained a provision (sec. 501) that would authorize the Secretary of the military department concerned to approve officers to serve as members of successive selection boards concerned under section 628 of title 10, United States Code, for the consideration of officers of the same competitive category and grade if the second board does not consider the same officer or officers as the first board.

The House amendment contained a similar provision (sec. 501) that would authorize the Secretary of the military department concerned to approve officers to serve as members on successive selection boards convened under section 611(a) of title 10, United States Code.

The Senate and House recede.

Detail of defense personnel

The House amendment contained a provision (sec. 538) that would amend section 374 of title 10, United States Code, to authorize the Secretary of Defense to make DOD personnel currently stationed in Europe available to assist the Immigration and Naturalization Service, the United States Border Patrol, and the United States Customs Service.

The Senate bill contained no similar provision.

The House recesses.

TITLE VI-COMPENSATION AND OTHER PERSONNEL BENEFITS

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Military pay raise for fiscal year 1995 (sec. 601)

The Senate bill contained a provision (sec. 601) that would authorize a 2.6 percent increase on January 1, 1995, in basic pay, basic allowance for quarters, and basic allowance for subsistence for military personnel.

The House amendment contained a similar provision (sec. 601), but included midshipmen and cadets.

The Senate recesses.

Cost-of-living allowance for members of the uniformed services assigned to high cost areas in the continental United States (sec. 602)

The House amendment contained a provision (sec. 602) that would establish a CONUS COLA to partially defray the added non-housing costs incurred by servicemembers assigned to high-cost areas, effective July 1, 1995.

The Senate bill contained no similar provision.

The Senate recesses with an amendment that would substitute "spendable income" for "basic pay" in determining the amount of allowance for a member and would preclude payment of a CONUS COLA allowance until 90 days after the Secretary of Defense provides to Congress:

(1) the method(s) by which the Secretary of Defense would determine the non-housing cost indices;

(2) how the Secretary of Defense would determine the threshold;

(3) how the presence of exchange facilities, commissaries, and medical facilities will be factored into the cost indices for different locations;

(4) what non-housing-related costs would be used in developing the cost indices; and

(5) what features would be in place to avoid uncontrolled growth in the future.

The conferees are sensitive to the difficulties faced by servicemembers assigned to certain areas in which the cost of living is exceptionally high. Nonetheless, the conferees are concerned

about growth in entitlements and caution the Department of Defense against allowing a CONUS COLA to expand beyond the rather narrow limits of its original purpose.

Increase in subsistence allowance payable to members of Senior Reserve Officer's Training Corps (sec. 603)

The House amendment contained a provision (sec. 603) that would amend title 37, United States Code, to increase the monthly subsistence allowance for members of the Senior Reserve Officers' Training Corps (ROTC) from the current level of \$100 per month to \$150 per month, effective September 1, 1995.

The Senate bill contained no similar provision.

The Senate recedes.

Entitlement for dependents of servicemembers who die while on active duty (secs. 604 and 707)

The conferees agree to two provisions that would improve the entitlements available to survivors of servicemembers who die while on active duty. The first provision would: (1) modify section 1079(g) of title 10, United States Code, to continue the active duty dependent CHAMPUS cost-sharing and benefits package for one year for the dependents of servicemembers who die while on active duty beginning on the date of the servicemember's death, and (2) modify section 1076a of title 10, United States Code, to authorize coverage of the dependents of a servicemember who dies while on active duty by the dependents' dental program for up to one year beginning on the date of the servicemember's death. The second provision would modify sections 403(l) (1) and (2) of title 37, United States Code, to permit the dependents of servicemembers who die while on active duty to remain in government quarters or continue to receive housing allowances for 180 days beginning on the date of the servicemember's death. These provisions would be effective on October 1, 1993.

The conferees expect the Department of Defense to implement these improved entitlements quickly, especially for the dependents of those servicemembers who have died after October 1, 1993. Additionally, the conferees expect the Department of Defense to conduct a thorough outreach program to ensure that every affected dependent is apprised of these entitlements.

Extension of certain bonuses for active and reserve forces (secs. 611 and 613)

The Senate bill contained provisions (secs. 611 and 613) that would extend the authorities to pay certain bonuses for the active and reserve components.

The House amendment contained a similar provision (sec. 612) that would extend the authority for the aviator retention bonus until September 30, 1995.

The House recedes with an amendment that would extend the authority for the nuclear career annual incentive bonus until September 30, 1996.

Extension and modification of certain bonuses and special pay for nurse officer candidates, registered nurses, and nurse anesthetists (sec. 612)

The Senate bill contained a provision (sec. 612) that would extend the authority to pay (a) a nurse accession bonus, (b) incentive special pay to military-certified registered nurse anesthetists, and (c) a nurse officer candidate accession bonus. This provision would also increase annual incentive special pay for military-certified registered nurse anesthetists to a maximum of \$15,000.

The House amendment contained a provision (sec. 611) that would increase the annual incentive special pay for military-certified nurse anesthetists to a maximum of \$15,000.

The House recedes with an amendment that would extend these bonus authorities until September 30, 1996 instead of September 30, 1998.

Responsibility for preparation of transportation mileage tables (sec. 621)

The Senate bill contained a provision (sec. 621) that would transfer responsibility for maintaining the official table of distances from the Secretary of the Army to the Secretary of Defense.

The House amendment contained no similar provision.

The House recedes.

Payment for transient housing for reserves performing certain training duty (sec. 622)

The Senate bill contained a provision (sec. 655) that would authorize the secretaries of the military departments to provide reimbursement for housing service charges for transient government housing for reservists performing annual training duty or inactive training duty.

The House amendment contained no similar provision.

The House recedes.

Change in provision of transportation incident to personal emergencies for members stationed outside the continental United States (sec. 623)

The House amendment contained a provision (sec. 621) that would amend title 37, United States Code, to allow funded travel, incident to personal emergencies for members or dependents located outside the continental United States, from their location to the nearest international airport, and from the airport back to the point of departure.

The Senate bill contained no similar provision.

The Senate recedes.

Clarification of travel and transportation allowance of family members incident to serious illness or injury of members (sec. 624)

The House bill contained a provision (sec. 622) that would amend title 37, United States Code, to clarify the travel and transportation allowances for family members of a seriously ill or injured service member.

The Senate amendment contained no similar provision.

The Senate recedes.

Family separation allowance (sec. 625)

The conference agreement includes a provision that would modify section 427 of title 37, United States Code, to provide that an individual entitled to a family separation allowance (FSA-II) while deployed who returns from that deployment, thereby terminating entitlement to FSA-II, and who is redeployed within 30 days for a period in excess of 30 days shall, for the purposes of entitlement to FSA-II, be treated as if the individual had been deployed continuously.

Elimination of disparity between effective dates for military and civilian retiree cost-of-living adjustments for fiscal year 1995 (sec. 631)

The Senate bill contained a provision (sec. 1075) that would make the 1995 cost-of-living adjustment (COLA) for military retirees effective on April 1, 1995, which is the date on which civil service retiree COLAs will be paid, rather than on October 1, 1995 as provided under current law. This provision would take effect only if an act appropriating funds for the Department of Defense for fiscal year 1995 appropriates sufficient funds to the military retirement trust fund to offset the increased outlays that will result from advancing the COLA by 6 months.

The House amendment contained an identical provision (sec. 631).

In adopting this provision, the conferees reiterate their strong support for the concept of COLA equity. The conferees do not believe military retiree COLAs should be delayed beyond the dates on which civil service retiree COLAs are paid.

The inequity in the treatment of COLAs for military and civil service retirees is a direct result of the reconciliation instructions contained in the Budget Resolution for fiscal year 1994, which had the effect of requiring substantially larger mandatory spending reductions from military retirement benefits than those required from civil service retirement benefits. In order to achieve those reductions, the Omnibus Budget Reconciliation Act of 1993 provided for different COLA delay schedules for military and civil service retirees. The conference agreement would correct that inequity only for 1995.

Under the rules of the House of Representatives and the Senate and the requirements of the Congressional Budget Act, the only choices open to the conferees were to offset the cost advancing the military retirement COLA by cutting the defense budget, or to add the cost to the deficit. Reluctantly, the conferees funded military retiree COLAs (which have not been part of the defense budget for a decade) by cutting the defense budget because the conferees did not believe that increasing the already excessive federal budget deficit was an acceptable alternative.

In order to offset the outlay impact of the COLA provision, the conferees agree to make reductions in the operation and maintenance accounts which support the day-to-day operations and readiness of U.S. military forces. These reductions could result in lower readiness for U.S. military forces at the same time that extra demands are being placed on them in contingency operations around the world.

Since a continued diversion of operation and maintenance funding into the military retirement trust fund over the next 4 years would cause unacceptable reductions in military readiness, the conferees deem it imperative that an alternative method of eliminating this COLA disparity be found for fiscal years 1996, 1997 and 1998.

Requirement for equal treatment of civilian and military retirees in the event of delays in cost-of-living adjustments (sec. 632)

The Senate bill contained a provision (sec. 636) that would ensure equal treatment of civilian and military retirees in the event of delays in cost-of-living adjustments, beginning on October 1, 1998.

The House amendment contained no similar provision.

The House recedes with an amendment that would express the sense of the Congress on this matter.

Clarification of calculation of retired pay for officers who retire in a grade lower than the grade held at retirement (sec. 633)

The Senate bill and the House amendment contained identical provisions (secs. 631 and 632, respectively) that would amend section 1401a(f) of title 10, United States Code, to preclude commissioned officers from receiving retired pay in a grade higher than the grade in which they were retired.

The conference agreement includes this provision.

Computation of retired pay to prevent pay inversions (sec. 634)

The Senate bill contained a provision (sec. 634) that would authorize the secretaries of the military departments to waive the minimum service for retirement requirement which may have existed at the time a servicemember who is affected by the "Tower Amendment" retired.

The House amendment contained no similar provision.

The House recedes with an amendment that would make clarifying changes.

The "Tower Amendment" was enacted to ensure that retiring servicemembers not be penalized if their retired pay would be less than if they had retired earlier (pay inversion). Since some members may not have held their retirement grade for sufficient time to qualify for retirement at the earlier date, the secretaries of the military departments were required to waive the time-in-grade requirements. This provision would permit the secretaries of the military departments to waive the time-in-grade requirements retroactively as a class action.

Crediting of reserve service of enlisted members for computation of retired pay (sec. 635)

The Senate bill contained a provision (sec. 632) that would provide equitable treatment, in comparison to officers, for enlisted members retiring after 20 or more years (or 15 or more years if during the force drawdown transition period) by authorizing credit for inactive duty performed while a member of a reserve component.

The House amendment contained a similar provision (sec. 633).

The Senate recedes with an amendment that would make clarifying changes.

Minimum required reserve service for eligibility for retired pay for nonregular service during force drawdown period (sec. 636)

The House amendment contained a provision (sec. 634) that would change the minimum required reserve service for eligibility for retired pay during the force drawdown period.

The Senate amendment contained no similar provision.

The Senate recedes.

SBP premiums for reserve component, child-only coverage (sec. 637)

The House amendment contained a provision (sec. 635) that would clarify the mechanism for payment of premiums for individuals who select a reserve component, child-only election under the Survivor Benefit Plan.

The Senate amendment contained no similar provision.

The Senate recedes.

Discontinuation of insurable interest coverage under Survivor Benefit Plan (sec. 638)

The House amendment contained a provision (sec. 636) that would allow individuals who had previously made non-former spouse insurable interest elections under the Survivor Benefit Plan to terminate participation if they so desire.

The Senate amendment contained no similar provision.

The Senate recesses.

Forfeiture of annuity or retired pay of members convicted of espionage (sec. 639)

The Senate bill contained a provision (sec. 633) that would include the offense of espionage (article 106a of the Uniform Code of Military Justice) in the list of offenses subject to the forfeiture of retired pay or any annuity under 5 U.S.C. 8312.

The House amendment contained no similar provision.

The House recesses.

Treatment of retired and retainer pay of members of cadre of Civilian Community Corps (sec. 640)

The Senate bill contained a provision (sec. 645) that would clarify the intent of Congress concerning compensation for retired military members employed by the National Civilian Community Corps.

The House amendment contained no similar provision.

The House recesses.

Eligibility of members retired under temporary special retirement authority for Servicemen's Group Life Insurance (sec. 651)

The Senate bill contained a provision (sec. 641) that would authorize Servicemen's Group Life Insurance (SGLI) for members of the retired reserve of a uniformed service who retired under the temporary special retirement authority and (1) have not received the first increment of their retired pay, or (2) have not reached age 61 and have completed at least 15 years, but less than 20 years, or service creditable towards retirement.

The House amendment contained no similar provision.

The House recesses.

Transportation of remains (sec. 652)

The House amendment contained two provisions (secs. 365 and 366) concerning the transportation of remains of deceased former members of the armed forces. Section 365 would authorize the transportation of the remains of retired members who die outside the United States on a space-available basis to a point of entry in the United States. Section 366 would authorize transportation on aeromedical evacuation aircraft, on a cost-reimbursable basis, of the remains of certain deceased veterans who die in a Department of Veterans' Affairs medical facility.

The House amendment contained no similar provision.

The House recesses.

Special supplemental food program (sec. 653)

The Senate bill contained a provision (sec. 653) that would authorize the Secretary of Defense to provide special supplemental food benefits to members of the armed forces stationed overseas, and to eligible civilians serving with, employed by, or accompanying servicemembers overseas.

The House amendment contained a similar provision (sec. 364).

The House recesses.

Study of offset of disability compensation by receipt of separation benefits and incentives (sec. 654)

The Senate bill contained a provision (sec. 656) that would require a study on the offset of veterans' disability compensation by the amount of any separation benefits or incentives received by members of the armed forces upon separation from the armed forces.

The House amendment contained no similar provision.

The House recesses with an amendment that would make clarifying changes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Cost of living increases in SBP contributions to be effective concurrently with payment of related retired pay cost-of-living increases

The Senate bill contained a provision (sec. 635) that would preclude annual increases in the premiums military retirees pay to participate in the Survivor Benefit Plan (SBP) before annual cost-of-living increases in retired pay are payable.

The House amendment contained no similar provision.

The Senate recesses.

Disability coverage for officer candidates granted excess leave

The Senate bill contained a provision (sec. 651) that would include certain members not entitled to basic pay (officer candidates) among those who receive physical disability coverage.

The House amendment contained no similar provision.

The Senate recesses.

Use of exchanges and morale, welfare, and recreation facilities by members of reserve components and dependents

The Senate bill contained a provision (sec. 652) that would amend section 1065 of title 10, United States Code, to authorize retired members of the Selected Reserve to use Department of Defense exchanges and other revenue-generating morale, welfare, and recreation facilities.

The House bill contained no similar provision.

The Senate recesses.

Authority for survivors to receive payment for all leave accrued by deceased members

The House amendment contained a provision (sec. 641) that would authorize survivors of members of the uniformed services to receive a payment upon death for all leave accrued, regardless of the 60-day career limitation.

The Senate bill contained no similar provision.

The House recesses.

TITLE VII-HEALTH CARE PROVISIONS

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Revision of the definition of dependents to include young people being adopted by members or former members (sec. 701)

The Senate bill contained a provision (sec. 701) that would authorize coverage in the military health care system for individuals placed in the home of a servicemember or former servicemember by a placement agency for the purpose of adoption. The provision would also make the new category of "dependents" eligible for CHAMPUS as well as military treatment facility care.

The House amendment contained a similar provision (sec. 701) that would further expand the definition of the term "dependent" for the purposes of health care contained in section 1072 of title 10, United States Code, to include certain minors in the legal custody of a member or a former member of the armed forces. The definition would include individuals placed in the home of a member or former member by a state-licensed placement agency for the purpose of adoption.

The House recedes.

Treatment of certain dependents as children for purposes of CHAMPUS, dependents' dental program, and continued health benefits coverage (sec. 702)

The House amendment contained a provision (sec. 702) that would make conforming amendments to title 10, United States Code, to reflect changes to the definition of "dependent" for the purpose of medical care contained elsewhere in the House amendment and in the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160).

The Senate bill contained no similar provision.

The Senate recedes.

Availability of dependents' dental program outside the United States (sec. 703)

The Senate bill contained a provision (sec. 702) that would direct the Secretary of Defense to use existing authority to provide basic dental benefits for dependents of members of the uniformed services permanently stationed outside the United States.

The House amendment contained no similar provision.

The House recedes with an amendment that would make clarifying changes.

Not later than 90 days after enactment of this act, the conferees expect the Secretary of Defense to submit to the Committees on Armed Services of the Senate and the House of Representatives a comprehensive plan for the delivery of dental care to family members at overseas locations. The plan should specify by service and major installation whether direct care, enrollment in the dependent dental program, or other options will be offered.

Not later than 180 days following enactment, the conferees expect the Secretary of Defense to begin phased implementation of the plan. The conferees expect that the highest priority will be given to those areas demonstrating the greatest problems with access to primary dental care. The conferees direct the Secretary of Defense to report to the Committees on Armed Services on the status of the program by March 1, 1995; July 1, 1995; and September 30, 1995.

Authorization for medical and dental care for abused dependents of certain members (sec. 704)

The Senate bill contained a provision (sec. 703) that would authorize medical and dental care of abused dependents of members of the uniformed services who are administratively discharged from a uniformed service due to a conviction under military or civil law relating to the abuse of the dependent.

The House amendment contained a provision (sec. 703) that would expand the authorization for medical and dental care for the abuse-related injury to the abused dependents of members of the uniformed services who are administratively discharged due to a conviction under section 1076(e) of title 10, United States Code.

The Senate recesses.

Eligibility for participation in demonstration programs for sale of pharmaceuticals (sec. 706)

The Senate bill contained a provision (sec. 709) that would ensure that Medicare-eligible retirees who formerly relied upon a military treatment facility that has been closed or realigned continue to have some pharmaceutical benefit.

The House amendment contained no similar provision.

The House recesses with an amendment that would strengthen the requirement that the retiree relied upon the military treatment facility to obtain pharmaceuticals as a prerequisite for participation in this program and would permit the Secretary of Defense to achieve cost neutrality for this change to the mail-order pharmaceutical and retail pharmacy network demonstrations.

Additional health care services available through the military health care system (sec. 705)

The House bill contained a provision (sec. 704) that would amend section 1077 of title 10, United States Code, to expand covered military health care to include the provision of voice prostheses, including mechanical hand-held voice prostheses.

The Senate amendment contained no similar provision.

The Senate recesses.

Coordination of benefits (sec. 711)

The Senate bill contained a provision (sec. 704) that would provide equitable reimbursement procedures for those cases in which CHAMPUS is the secondary payer to Medicare for active duty dependents and retired members and their dependents under the age of 65.

The House amendment contained no similar provision.

The House recesses. The conferees are sympathetic to the situation of these disabled individuals. However, the conferees remain concerned about the precedent of providing a more generous benefit to one subset of the beneficiary population while the majority of the population continues to receive a lesser benefit.

Authority for reimbursement of professional license fees under resource-sharing agreements (sec. 712)

The Senate bill contained a provision (sec. 705) that would authorize the Secretary of Defense to reimburse a member of the uniformed service for license fees imposed by a state government to provide health care services at a civilian health care facility.

The House amendment contained a similar provision (sec. 711) that would also enable civilian health care providers with whom the Secretary of Defense contracts for the delivery of health care to covered beneficiaries to purchase services or supplies directly from the military treatment facility.

The House recesses.

Imposition of enrollment fees for managed care plans (sec. 713)

The Senate bill contained a provision (sec. 712) that would permit the Secretary of Defense to offer Medicare-eligible beneficiaries who enroll in the health maintenance organization option offered in current managed care programs the opportunity to pay an enrollment fee similar to the enrollment fee that CHAMPUS-eligible enrollees may pay in lieu of meeting the required CHAMPUS deductible.

The Senate bill contained no similar provision.

The Senate recesses.

Strengthening managed health care authorities (sec. 714)

The House bill contained a provision (sec. 714) that would strengthen the ability of the Department of Defense to implement effective managed health care programs.

The Senate bill contained no similar provision.

The Senate recesses.

Delay in deadline for use of health maintenance organization model as option for military health care (sec. 715)

The House amendment contained a provision (sec. 714) that would extend the deadline for the Secretary of Defense to prescribe and implement a health benefit option and cost-sharing requirements modelled on health maintenance organization (HMO) plans in the private sector and other government health insurance programs.

The Senate bill contained no similar provision.

The Senate recesses.

Limitation on reduction in number of reserve component medical personnel (sec. 716)

The House amendment contained a provision (sec. 715) that would permit a reserve component to go below the floor established by section 518(a) of the National Defense Authorization Act for Fiscal Year 1993 if the Secretary of Defense certifies that the number of personnel to be reduced is excess to the current and projected needs of the military department.

The Senate bill contained no similar provision.

The Senate recesses.

Authority to conduct health care surveys of families of retired members (sec. 717)

The Senate bill contained a provision (sec. 707) that would allow the Defense Department to consider all persons receiving health care under chapter 55 of title 10, United States Code, as employees of the United States for the purpose of conducting surveys to determine the availability of

health care services to such persons, their familiarity with facilities and services provided, their health, and their level of satisfaction.

The House amendment contained no similar provision.

The House recesses.

Programs related to the Gulf War Syndrome (sec. 721)

The House bill contained a provision (sec. 529) that would direct several actions to improve the medical treatment of veterans of the Persian Gulf War by the Department of Defense.

The Senate amendment contained a provision (sec. 1095) that would mandate the compatibility of the separate Persian Gulf illness registries maintained by the Department of Defense and the Department of Veterans' Affairs. This provision was nearly identical to a subsection of the House provision.

The Senate recesses with an amendment that would incorporate the Senate provision on health registries into the House provision.

The conferees agree that the Department of Defense was slow to react when initially confronted with growing evidence that some veterans of the Persian Gulf War were afflicted with symptoms which could not be diagnosed completely under existing protocols. Further, the conferees agree that the terms of this provision provide the necessary direction to the Department of Defense to continue its programs of treatment of victims of this illness. This provision would require the Secretary of Defense to begin a comprehensive outreach program to inform Persian Gulf veterans on matters related to the illness and to encourage them to register with the Department. The provision would also require the Department of Defense to presume that sick servicemembers who served in the Persian Gulf War are ill as a result of that service until it can be proven otherwise. Additionally, the provision would codify the current Department of Defense practice of not discharging sick Persian Gulf veterans until a suitable disability rating can be established. Further, it would direct the Secretary of Defense, in conjunction with the Secretary of Veterans' Affairs, to review the records of Persian Gulf veterans who have been discharged or retired by a physical evaluation board.

Cooperative Department of Defense/Department of Veterans' Affairs research (sec. 722)

The budget request contained no funds for cooperative research between the Departments of Defense and Veterans' Affairs.

The Senate bill would provide \$40.0 million in PE 63738D for cooperative DOD/VA research; \$20.0 million for the cost-shared DOD/VA brain and spinal cord injury program; and \$20.0 million for Gulf War Syndrome research. The Senate bill also contained a provision (sec. 1093) that would require two studies of the health consequences of military service or employment in Southwest Asia during the Persian Gulf War and a provision (sec. 1094) that would award grants for research into the health consequences of the Persian Gulf War.

The House amendment would provide \$30.0 million in PE 63738D for research on the use of artificial neural networks for cancer detection and treatment and for Gulf War Syndrome research.

The House recesses with an amendment.

The conferees agree to authorize \$50.0 million in PE 63738D for brain and spinal cord research, in accordance with the Senate report (S. Rept. 103-282); artificial neural network

research, lyme disease research, automated mammography, and diabetes research, in accordance with the House report (H. Rept. 103-499); and Gulf War Syndrome research.

The conferees view with great concern the complaints of an unexplained illness-the so-called "Gulf War Syndrome"-that have been made by a large number of veterans of the Persian Gulf War. The conferees note that in some cases these complaints extend to the families of the veterans and to some civilian employees of the U.S. government and support contractors who served in the Southwest Asia theater of operations.

The conferees note that the National Defense Authorization Act for Fiscal Year 1994 contained two provisions (secs. 270 and 271) that provided grants to support research on exposure to hazardous agents and materials and to depleted uranium by military personnel who served in the Gulf War. The conferees further note the congressional hearings on the subject of the Gulf War Syndrome and the several reviews that have been conducted in the past year within the Department of Defense, the Defense Science Board, and the Department of Veterans' Affairs into the potential causes of the medical problems which seem to be associated with service in the Gulf War. The conferees are aware of the review in April 1994 by the National Institutes of Health that considered certain medical complaints to be genuine. The conferees are aware of continuing inquiries and investigation into the basis for the complaints and consideration of a broad range of environmental, battlefield, and other conditions that may have contributed to the complaints.

The conferees strongly believe that the Departments of Defense, Veterans' Affairs, and Health and Human Services must make a concerted effort to determine the consequences to the health of members of the U.S. armed forces, government employees, supporting contractors, and their families of their service in Southwest Asia during the Persian Gulf War. The seriousness and immediate nature of the problem requires a priority, systematic, scientifically-based, and coordinated effort. The conferees believe that the effort should capitalize on work that has already been done or is in progress, but should include new activities which use the best efforts and capabilities of both government and non-government entities to assess the short-term and long-term hazards to the health of the individuals concerned. This effort must consider the broad range of potential environmental, battlefield, and other conditions incident to service in Southwest Asia during the Persian Gulf War.

The conferees direct that such an effort be conducted in accordance with a coordinated plan of research and study activities by federal and non-federal agencies, prepared by the Secretary of Defense, in coordination with the Secretaries of Veterans' Affairs and Health and Human Services, and reviewed by the National Academy of Sciences. The conferees agree that three groups of studies of the Gulf War Syndrome by non-federal entities should be among these efforts: (1) a study of the nature and scope of the syndrome; (2) a study of the health consequences of the administration of pyridostigmine bromide as a pretreatment antidote enhancer; and (3) a final group of clinical studies and other research on the causes, possible transmission, and treatment of undiagnosed illnesses of individuals who served in Southwest Asia in the military, or as DOD or contractor employees, and their spouses and children where appropriate, during the Gulf War.

The conferees note the need for independent research in certain cases to ensure that the results have the highest possible credibility. With this in mind, the conferees direct the Department of Defense to utilize non-federal research entities for the conduct of the epidemiological and pyridostigmine studies. The conferees further note that this non-federal research is in addition to any ongoing federal research or research internal to the federal government which the Secretary may direct. The conferees further direct the Secretary to ensure that the grants for this research be awarded on the basis of competition to non-federal researchers with no financial interest in the outcome of the research.

The first study or studies shall be epidemiological research of individuals who served as members of the armed forces in the Southwest Asia theater of operations during the Persian Gulf War; individuals who were civilian employees of the Department of Defense in that theater during

that period; and where appropriate, individuals who were employees of contractors of the Department in that theater during that period and the spouses and children of individuals covered by the study.

The study shall be designed to assess the incidence, prevalence, and nature of the illness and symptoms, the risk factors associated with symptoms of the syndrome that were manifested within three years of deployment in the Southwest Asia theater of operations, and any other matters that the Secretary of Defense deems relevant to the health and welfare of the individuals involved. The potential risk factors assessed shall include exposure to chemical and biological agents, drugs and vaccines, endemic diseases, pesticides, toxins, and any other hazardous materials deemed appropriate. The study shall also assess the relationship between the illnesses and symptoms and stress-producing battlefield and wartime conditions.

The study shall attempt to compare:

(1) the incidence, prevalence, and nature of the illnesses and symptoms suffered by the individuals in the study prior to the commencement of the Persian Gulf War with those suffered by the individuals after the end of the war; and

(2) the incidence, prevalence, and nature of the illnesses, symptoms, and birth defects of any children conceived by such individuals before the commencement of the Persian Gulf War with those experienced after the end of the war.

After each successful applicant for the study or studies has been selected, the successful applicant or applicants shall be required to conduct a small pilot study to demonstrate the feasibility of their proposed study design and instruments.

The second group of studies shall determine the short-term and long-term health consequences of the administration of pyridostigmine bromide as an antidote enhancer for chemical nerve agent toxicity during the Persian Gulf War, alone or in combination with exposure to pesticides, environmental toxins, and other hazardous substances that were present during the Persian Gulf War.

The first project of this second group of studies shall be a retrospective study on members of the armed forces who served in the Southwest Asia theater of operations during the Persian Gulf War and shall be designed to determine the following:

(1) the nature of the undiagnosed and chronic illnesses suffered by such members; and

(2) the extent to which the illnesses are associated with the use of pyridostigmine bromide or other medications or vaccinations, and exposure to pesticides, organophosphates, or carbamates.

The second research project shall use appropriate animal models and non-animal models, including in-vitro systems, as required, in studies designed to determine whether the use of pyridostigmine bromide in combination with exposure to pesticides or other organophosphates, carbamates, or relevant chemicals will result in increased toxicity in animals and is likely to have a similar effect on humans.

The conferees urge the Secretary of Defense to execute this research in consultation with the Secretaries of Veterans' Affairs and Health and Human Services, the Administrator of the Environmental Protection Agency, the head of the Medical Follow-Up Agency of the Institute of Medicine, and the heads of other appropriate departments and agencies of the federal government.

The third group of studies shall include clinical studies and other research on the causes, possible transmission, and treatment of the Gulf War Syndrome. The Secretary of Defense shall award grants to appropriate non-governmental entities to determine:

(1) the nature and causes of any illnesses suffered by individuals as a result of service or employment in the Southwest Asia theater of operations during the Persian Gulf War;

(2) the methods of transmission, if any, of such illnesses from such individuals to other individuals; and

(3) the appropriate treatment for such illnesses.

In carrying out this research, the entities conducting the research should consider the following:

(1) illnesses or symptoms associated with exposure to depleted uranium particles, mycotoxins, genetically-altered organisms, petrochemical toxicity, pesticide poisoning, anthrax vaccines, botulinum toxoids, and other chemical hazards and agents;

(2) endemic viral, fungal, bacterial, and rickettsial diseases (including diseases arising from biological warfare activities);

(3) illnesses or symptoms associated with ingestion of silica or sand;

(4) assessment of reproductive risks arising from the illnesses and diseases referred to in paragraphs (1) through (3);

(5) pediatric disorders;

(6) birth defects;

(7) post-traumatic stress disorder;

(8) somatoform disorders;

(9) chronic fatigue syndrome; and

(10) multiple chemical sensitivities.

In awarding grants for the conduct of all of these studies, the Secretary shall select independent peer reviewers to evaluate the proposals received from entities proposing to conduct this research. The Secretary shall ensure that the reviewers:

(1) are not employees of the federal government;

(2) have an expertise in epidemiology, toxicology, neurology, biology, biostatistics, post-traumatic stress disorder, or public health; and

(3) have no financial relationship with any company that manufactures a product that may be addressed in the study.

The Secretary of Defense shall report the results of this research to the Congress.

Chiropractic health care demonstration (sec. 731)

The Senate bill contained a provision (sec. 706) that would require the Department of Defense to conduct a chiropractic health care demonstration.

The House amendment contained no similar provision.

The House recedes with a technical amendment.

Demonstration program for admission of civilians as physician assistant students at Academy of Health Sciences, Fort Sam Houston, Texas (sec. 732)

The House amendment contained a provision (sec. 722) that would authorize a demonstration program under which the Secretary of the Army could enter into a reciprocal agreement with an accredited institution of higher education to allow a limited number of students of that institution to attend the didactic portion of the physician assistant training program conducted at the Academy of Health Sciences, Fort Sam Houston, Texas, in return for the provision of certain academic services.

The Senate bill contained no similar provision.

The Senate recedes.

Delay in closure of Army hospital at Vicenza, Italy (sec. 733)

The House bill contained a provision (sec. 721) that would preclude the Secretary of the Army from reducing the level of medical care services provided by the U.S. Army hospital in Vicenza during fiscal year 1995 and direct the Secretary of Defense to submit a report not later than March 1, 1995, addressing a number of issues related to the closure of the Army hospital at Vicenza.

The Senate contained no similar provision.

The Senate recedes.

Oral typhoid vaccine inventory of Department of Defense (sec. 734)

The House amendment contained a provision (sec. 725) that would require the Secretary of Defense to maintain an inventory of an equal number of doses of oral typhoid vaccine and parenteral injection typhoid vaccine. The Secretary of Defense would be able to waive this requirement for reasons of national security.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would permit the Secretary of Defense to waive this requirement for medical reasons.

Report on the expanded use of nonavailability of health care statements (sec. 735)

The House amendment contained a provision (sec. 723) that would direct the Secretary of Defense to report on the Department's plans to require that beneficiaries who use standard CHAMPUS and reside within the catchment area of a military treatment facility (MTF) obtain inpatient services and certain outpatient services from the MTF civilian provider network when the service is not available from the MTF.

The Senate bill contained no similar provision.

The Senate recedes.

Cost analysis of Tidewater Tricare delivery of pediatric health care to military families (sec. 736)

The Senate bill contained a provision (sec. 710) that would require the Assistant Secretary of Defense (Health Affairs) to consider certain cost experience gained from an analysis of the Tidewater Tricare demonstration in prescribing standards, limitations, and requirements relating to the cost of pediatric care under any managed care system established for the Department of Defense.

The House amendment contained no similar provision.

The House recedes with an amendment that would limit the use of data gained from the Tidewater Tricare demonstration to future health care decisions in that area.

Study and report on financial relief for certain Medicare-eligible military retirees who incur Medicare late enrollment penalties (sec. 737)

The Senate bill contained a provision (sec. 708) that would require the Secretary of Defense, in consultation with the Secretary of Health and Human Services, to study and report to the Congress not later than March 31, 1995, on possible financial relief from late enrollment penalties for military retirees and dependents who reside in the service area of a base closure site and who did not enroll in Medicare Part B because they relied on a military treatment facility.

The House amendment contained no similar provision.

The House recedes with an amendment that would make clarifying changes.

Sense of Congress on continuity of health care services for certain covered beneficiaries (sec. 738)

The House amendment contained a provision (sec. 724) that would express the sense of Congress that the Secretary of Defense should take all appropriate steps, including a limited extension of the current managed care contract, to protect the continuity of health care services for all beneficiaries eligible for the base realignment and closure (BRAC) site managed health care benefit during the transition period of the TRICARE Region Six managed care contract.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would expand the beneficiary population covered by the sense of Congress to all beneficiaries residing in areas adversely affected by the closure of a military installation under the BRAC process.

Automated medical record capability in the medical information system

The Senate report (S. Rept. 103-282) directed the Department of Defense to implement, during fiscal year 1995, the plan outlined in the report submitted in response to section 714 of the National Defense Authorization Act for Fiscal Year 1994. This report described a test of components of an automated record capability at one or more military medical facilities. The conferees support the conduct of such a test and encourage the Department to work with the Department of Veterans' Affairs to include one or more veterans' facilities in this test so that the development of an automated medical record will be a cooperative effort between the two departments.

TITLE VIII-ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Procurement technical assistance centers (sec. 801)

The Senate bill contained a provision (sec. 811) that would authorize \$12.0 million for the operation of procurement technical assistance centers in fiscal year 1995. The provision would also authorize up to \$600,000 of the \$12.0 million to be used to fund such programs sponsored by tribal organizations.

The House amendment contained a similar provision.

The House recedes.

Pilot mentor protege program (sec. 802)

The budget request contained \$50.0 million in RDT&E funds for the pilot mentor protege program.

The Senate bill contained a provision (sec. 812) that would provide \$50.0 million for the pilot mentor protege program from title I procurement funds.

The House amendment contained no similar provision.

The House recedes.

Historically black colleges and universities (sec. 803)

The budget request contained \$15.0 million for historically black colleges and universities and minority institutions (HBCU/MI).

The Senate bill contained a provision (sec. 813) that would provide \$35.0 million for these institutions.

The House amendment contained a provision (sec. 813) that would provide \$25.0 million for the HBCU/MI program. The House report (H. Rept. 103-499) also recommended \$10.0 million for undergraduate centers of excellence at HBCU/MI institutions.

The conferees recommend \$25.0 million for the HBCU/MI program. The conferees further recommend that the Department of Defense ensure that minority women's programs, such as undergraduate science centers of excellence, have an opportunity to compete for funding under the HBCU/MI program.

Treatment under subcontracting plans for purchases from qualified nonprofit agencies for the blind or severely disabled (sec. 804)

The Senate bill contained a provision (sec. 816) that would extend until September 30, 1997 the law (10 U.S.C. 2410d) that provides contractors with credit towards their subcontracting goals for subcontracts with qualified nonprofit entities for the blind and severely disabled. The provision also would revise current law by including central nonprofit agencies designated by the Committee for Purchase from People Who are Blind or Severely Disabled.

The House amendment contained no similar provision.

The House recedes.

Industrial mobilization authority (sec. 811)

The Senate bill contained a provision (sec. 822) that would clarify 10 U.S.C. 2538 regarding the delegation of mobilization authority by the President during wartime.

The House amendment contained no similar provision.

The House recedes.

Determinations of public interest under the Buy American Act (sec. 812)

The Senate bill contained a provision (sec. 824) that would add several factors to the series of factors that section 2533 of title 10, United States Code, requires the Defense Department to consider when deciding whether to procure foreign-made goods.

The House amendment contained no similar provision.

The House recedes with an amendment that would delete one of the factors added by the Senate provision and add a reference to the national technology employment base.

Continuation of reporting requirement on non-competitive awards to colleges and universities (sec. 813)

The Senate bill included a provision (sec. 802) that would continue an annual reporting requirement on the awards of contracts and grants to universities through other than competitive procedures.

The House amendment contained no similar provision.

The House recedes with an amendment.

Consolidation of limitations on procurement of goods other than American goods (sec. 814)

The House amendment contained a provision (sec. 855) that would amend section 2534 of title 10, United States Code, to consolidate miscellaneous limitations and waivers on the procurement of foreign goods.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would make technical changes and retain the existing limitation in law on the procurement of sonobuoys.

Environmental consequence analysis of major defense acquisition programs (sec. 815)

The House amendment contained a provision (sec. 871) that would require the Secretary of Defense to analyze the life-cycle environmental costs of major defense system acquisition programs before development begins. The provision would also direct the Secretary to issue implementing guidance for such analysis, as well as implementing guidance for compliance with the National Environmental Policy Act (NEPA), and to establish a NEPA data base.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would direct the Secretary to issue guidance, by March 31, 1995, to ensure both that the life-cycle environmental costs of major defense system acquisition are analyzed before production begins, and that the Department complies with the National Environmental Policy Act in making decisions regarding the procurement of major defense systems. The provision would also direct the Secretary to implement the guidance by March 31, 1995.

Demonstration project on purchase of fire, security, police, public works, and utility services from local government agencies (sec. 816)

The House amendment contained a provision (sec. 874) that would require the Secretary of Defense to conduct a demonstration project at Monterey, California, under which any municipal services needed for operation of any Department of Defense asset in Monterey County, California, may be purchased from government agencies located within the county of Monterey.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would authorize, but not require, the Secretary to carry out this demonstration program.

Preference for local residents (sec. 817)

The House amendment contained a provision (sec. 876) that would authorize the Secretary of Defense to give a preference to private contractors performing work at closing military installations, if those contractors hire, to the maximum extent practicable, residents from the local communities. This work would include environmental restoration contracts.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would permit the Secretary to give a preference only if granting the preference is consistent with all other legally required actions at the installation. The conferees are concerned that environmental restoration not be delayed as a result of any preferences.

Allowability under defense contracts of restructuring costs of a merger or acquisition (sec. 818)

The House amendment contained a provision (sec. 1033) that would bar the Secretary of Defense from authorizing any payments, after May 4, 1994, for any restructuring costs incurred by a defense contractor after a merger or acquisition.

The Senate bill contained no similar provision.

The Senate recedes with an amendment. The amendment would require the Secretary of Defense to issue regulations by January 1, 1995, that would govern the allowability of restructuring costs, and that would establish requirements for contract novation resulting from business combinations (mergers and acquisitions). The amendment also would impose an annual reporting

requirement on the Department of Defense and would require the Comptroller General to assess the Defense Department's policy and make recommendations to Congress.

The conferees have serious concerns about allowing payment of restructuring costs beyond those costs that would be allowed as a result of an internal reorganization absent a merger or acquisition. The conferees remain convinced that regulations should provide clear restrictions on the reimbursement of costs resulting from mergers and acquisitions, including such controversial areas as the costs attributable to pension underfunding.

The conferees are concerned that the Department of Defense policy on restructuring costs does not require enough accountability. The conferees also are concerned about the absence of clear requirements for calculating and evaluating projections of future cost savings to the government when such savings are used as the basis for allowing payment of restructuring costs.

The conference agreement would require a DOD official at the level of an assistant secretary of defense or above to review restructuring agreements based on projections of future savings, certify that the projections are based on audited data, and certify that the payment of restructuring costs should result in overall reduced costs for the Department of Defense, which is the stated purpose for this policy.

The conferees believe that DOD policy must require the prompt novation of government contracts after a business combination and must require properly supported and audited advance agreements in order to ensure that the government's interests are protected. The Department also must ensure that contracting officers and auditors understand that, in the absence of detailed information showing compelling evidence of the benefit to the government, there is no obligation to pay these costs. Furthermore, DOD policy should ensure that contracting officers make every reasonable effort to price the projected savings into current contracts, thereby increasing the likelihood that actual savings will be obtained for the taxpayers rather than relying only on projections.

Defense acquisition pilot program designations (sec. 819)

The House amendment contained a provision (sec. 875) that would authorize the Secretary of Defense to designate five specified programs for participation in the defense acquisition pilot program established under section 809 of the National Defense Authorization Act for Fiscal Year 1991.

The Senate bill contained no similar provision. The Senate approved a similar provision, authorizing the designation of six specified programs under the pilot program authority, in section 5003 of the Federal Acquisition Streamlining Act of 1994.

The Senate recedes with an amendment that would authorize the Secretary of Defense to designate the following programs for participation in the defense acquisition pilot program to the extent provided in the Federal Acquisition Streamlining Act of 1994: (1) fire support combined arms tactical trainer; (2) joint direct attack munition; (3) commercial derivative aircraft; (4) commercial-derivative engine; and (5) joint primary aircraft training system.

LEGISLATIVE PROVISIONS NOT ADOPTED

Legislative provisions addressed in the Federal Acquisition Streamlining Act of 1994

A number of provisions in the Senate bill and the House amendment duplicate provisions under consideration by the conference committee on S. 1587, the Federal Acquisition Streamlining Act of 1994. The House and Senate conferees each agree to recede from their respective positions on the sections of S. 2182 listed below in view of the disposition of these issues in the conference on S. 1587.

Item	S. 2182 Senate bill	S. 2182 House amendment	S. 1587 Senate bill	S. 1587 House amendment
Defense procurement policy		811		1501
Special tooling equipment		812	1505	1506
Vouchering procedures		813	2002	2002
Critical spare parts		814	2401	2401
Contractor guarantees		815	2402	2402
Procurement schedules		821		3001
Selected acquisition reports		822		3002
Unit cost reports		823		3003
Independent cost estimates		824	3001	3004
Baseline descriptions		825	3002	3005
Competitive prototyping		826	3004	3006
Competitive alt. sources		827	3005	3007
Operational Test and Evaluation		833-33, 906	3011-13	3011-13
Civil Reserve Air Fleet		841-43	3023	3021-23
Miscellaneous functions		851	3081	3051
Product evaluation		852	3082	3052
Leases		853	3083	3053
Naval vessel contracts		854		3054
Intellectual property		856	5092	8005
Subcontracting test	814	858		4103
Merit-based selections	801	872	4152	1301, 4151
Shipbuilding claims		873	2502	2502

Implementation of acquisition assistance regulations required by Public Law 103-160

The Senate bill contained a provision (sec. 815) that would prohibit obligation and expenditure of certain funds until the Department of Defense issues all regulations required by sections 811(d)(1) and 813(b)(1) of the National Defense Authorization Act for Fiscal Year 1994. The required implementing regulations concern the contract goal for small disadvantaged businesses (10 U.S.C. 2323) and the pilot Mentor-Protege program.

The House amendment contained no similar provision.

The Senate recedes. The conferees agree that implementation of these sections is a matter of high priority, but believe that the Department should be given a final opportunity to issue appropriate regulations before specific action is taken by the Congress.

Department of Defense review of antitrust cases with national security implications

The House amendment contained a provision (sec. 857) that would establish in permanent law a procedure for the Secretary of Defense to review and comment on proposed mergers that might have national security implications.

The Senate bill contained no similar provision.

The House recedes. The conferees note that a report by the Defense Science Board has recommended procedures for DOD to review and comment on proposed mergers, and the conferees urge the Department to promptly implement these recommendations. In accordance with the recommendations of the Defense Science Board Task Force on Antitrust, the conferees direct the Secretary of Defense to ensure: (1) that DOD alerts the antitrust enforcement agencies to any

proposed acquisition of a business concern that is a critical defense supplier with respect to which the Attorney General or the Federal Trade Commission receives notice under the antitrust laws; (2) when warranted, that DOD advises the antitrust agencies of relevant facts bearing on the likely effect of the proposed acquisition on the national industrial and technology base and on other national security considerations; and (3) that DOD promptly communicates its views to the Attorney General or the Federal Trade Commission on any national security concerns related to a proposed merger or acquisition.

TITLE IX-DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Assistant secretary of defense (sec. 901)

The Senate bill contained a provision (sec. 901) that would increase the number of assistant secretaries of defense from 10 to 11.

The House amendment contained no similar provision.

The House recedes.

Order of succession in the military departments (sec. 902)

The Senate bill contained a provision (sec. 902) that would place the position of general counsel of a military department in the order of succession to the position of secretary of a military department immediately following the assistant secretaries.

The House amendment contained no similar provision.

The House recedes.

Change of title of Comptroller of the Department of Defense (sec. 903)

The House amendment contained a provision (sec. 905) that would change the title of the Comptroller of the Department of Defense to Under Secretary of Defense (Comptroller).

The Senate bill contained no similar provision.

The Senate recedes.

Revision of National Guard Bureau charter (sec. 904)

The House amendment contained a provision (sec. 901) that would set out the purpose of the National Guard Bureau; provide for the appointment and minimum grades of the Bureau leadership, including the chief, vice chief, and four additional general officers; provide for a Bureau legal counsel, comptroller, and inspector general; and require an annual report on the state of the National Guard. The provision would also require the Secretary of the Army and the Secretary of the Air Force to jointly develop a Guard Bureau charter.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would specify the grades of the Bureau leadership and provide for the annual report to be submitted to the Secretary of Defense through the Secretaries of the Army and the Air Force.

Marine Corps University: Master of Military Studies (sec. 911)

The Senate bill contained a provision (sec. 931) that would authorize the President of the Marine Corps University to confer the degree of "Master of Military Studies" to certain graduates of the college. This authority would become effective upon approval of the Masters of Military Studies program by the Secretary of Education.

The House amendment contained no similar provision.

The House recesses.

Marine Corps University: board of advisors (sec. 912)

The Senate bill contained a provision (sec. 932) that would establish a board of advisors for the Marine Corps University.

The House amendment contained no similar provision.

The House recesses with an amendment that would direct the Secretary of the Navy to establish a board of advisors for the Marine Corps University.

Air University: Master of Airpower Arts and Sciences degree (sec. 913)

The Senate bill contained a provision (sec. 933) that would authorize the Commander of the Air University to confer the degree of "Master of Airpower Arts and Sciences" to certain graduates of the School of Advanced Airpower Studies. This authority would become effective upon approval of the Masters of Airpower Arts and Sciences program by the Secretary of Education.

The House amendment contained no similar provision.

The House recesses.

Grades of heads of certain professional military education schools (sec. 914)

The House amendment contained a provision (sec. 507) that would specify the grades of the heads of the senior professional military education schools of the Department of Defense, including the separate military departments.

The Senate amendment contained no similar provision.

The Senate recesses with an amendment that would express the sense of the Congress that the heads of the senior professional military education schools should, while so serving, hold a grade no less than the grade held by the officers presently serving in those positions.

Reserve Forces Policy Board amendments (sec. 921)

The Senate bill contained a provision (sec. 921) that would amend section 175 of title 10, United States Code, by including a regular officer assigned to the Joint Staff and an officer of the regular Marine Corps in the membership of the Reserve Forces Policy Board.

The House amendment contained no similar provision.

The House recesses.

The Uniformed Services University of the Health Sciences (sec. 922)

The Senate bill contained a provision (sec. 922) that would prohibit the closing of the Uniformed Services University of the Health Sciences (USUHS); express the sense of Congress that the Secretary of Defense should budget for the ongoing operation of USUHS; and require a GAO report to the Committees on Armed Services of the Senate and House of Representatives on USUHS, its costs, the quality of its medical education, the requirements for military physicians, and other relevant matters.

The House amendment contained no similar provision.

The House recedes. The conferees believe that continuing efforts to close USUHS harm the University's ability to attract and retain the high quality faculty appropriate for a medical school of its stature, and should only be undertaken after careful, rigorous analysis and a comprehensive review of the USUHS role in the national health care system.

Commission on Roles and Missions (sec. 923)

The Senate bill contained three provisions (secs. 911-913) relating to the Commission on Roles and Missions. The first provision would include the National Guard and other reserve components in the overall framework of the Commission's review and recommendations, and require the Commission to address the roles, missions, and functions of the reserve components within the Total Force. The second provision would require the Secretary, upon the request of the chairman of the Commission, to make available to the Commission, without reimbursement, the services of the federally funded research and development centers (FFRDCs) covered by sponsoring agreements of DOD, of a value of not more than \$20.0 million. The third provision would increase the membership of the Commission by one member, require that the additional member have previous military experience and management experience with the reserve components, and require the Secretary to appoint the new member within 15 days after the enactment of this act.

The House amendment contained a provision (sec. 1032) that would increase the membership of the Commission on Roles and Missions from seven to ten members and require the Secretary of Defense to appoint the new members within 45 days after the date of the enactment of this act.

The House recedes with an amendment that would increase the membership of the Commission from seven to eleven members, increase the number of members required for a quorum from four to seven members, require the Secretary of Defense to appoint the additional members within 30 days after the enactment of this act, provide that the Commission may also recommend changes that would better align programs and force structure with projected missions and threats, and provide that any analytic support or related services provided by a federally funded research and development center shall not be subject to any overall ceiling established by law.

The conferees note that the Commission on Roles and Missions has now begun its important work. The conferees are aware of some uncertainty as to whether the Commission's charter includes recommending changes in force structure, programs, and organizations. The provision adopted by the conferees makes it clear that changes in force structure and programs are part of the Commission's charter. The conferees believe that the original statute that established the Commission is already clear that recommendations on changes in organizations are part of the Commission's charter. In essence, the conferees intend that the Commission should have the full authority and means to carry out its important work.

The conferees recognize that limitations on the Commission's analytic staff (even with strong FFRDC support), its budget, and particularly its time will restrict its ability to cover programmatic issues. The conferees, therefore, encourage the Commission to address as many of the

more significant programmatic issues as can be treated adequately with available resources and time, and include recommendations in its report as to how other high-priority issues of this type should be addressed.

Redesignation of United States Court of Military Appeals and the Courts of Military Review (sec. 924)

The Senate bill contained a provision (sec. 1061) that would redesignate the United States Court of Military Appeals as the United States Court of Appeals for the Armed Services, and that would redesignate the Courts of Military Review as the Courts of Military Criminal Appeals.

The House amendment contained no similar provision.

The House recedes with an amendment that would change the name of the United States Court of Military Appeals to the United States Court of Appeals for the Armed Forces.

Budget support for reserve special operations forces (sec. 925)

The House amendment contained a provision (sec. 904) that would amend section 167 of title 10, United States Code, to specify that the budget proposal for the U.S. Special Operations Command may not eliminate, or significantly reduce the level of funding for, a reserve component special operations unit without the concurrence of the secretary of the military department concerned.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the commander of the Special Operations Command to consult with the secretaries of the military departments concerning funding for reserve special operations units and to include their differing views, if any, with the budget proposal submitted to the Secretary of Defense. It also would require the secretaries of the military departments to consult with the commander of the Special Operations Command concerning funding for reserve special operations forces in the military personnel budgets of their military departments and to include the differing views, if any, of the commander with the budget proposal submitted to the Secretary of Defense.

LEGISLATIVE PROVISIONS NOT ADOPTED

Joint duty credit for equivalent duty in support of unified, combined, or United Nations military operations

The Senate bill contained a provision (sec. 923) that would authorize the Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, to grant full or partial credit for a joint duty assignment to officers for service in a position involving combat or combat-related military operations under unified, combined, or U.N. operational control in which the officers gained significant experience in joint matters.

The House bill contained no similar provision.

The Senate recedes.

The conferees recognize that some level of joint credit is appropriate for officers serving in certain positions involving combat or combat-related joint operations. The conferees are reluctant, however, to attempt to define the necessary statutory parameters for this authority without more than the limited empirical data received. The conferees believe that the collection of additional information over the next several months will better enable the Department and the Congress to devise suitable parameters. Accordingly, the Secretary of Defense is requested to ensure that data on officers who have served or are serving in these kinds of operations are collected and preserved. This will allow the expeditious implementation of legislation that is expected to result from the defense authorization process in 1995.

Upgrade of AFSC wargaming and other capabilities

The House amendment contained a provision (sec. 530) that would require the Secretary of Defense to upgrade the wargaming capability and other facilities and capabilities at the Armed Forces Staff College.

The Senate bill contained no similar provision.

The House recesses.

Army Reserve Command

The House amendment contained a provision (sec. 902) that would provide for a reserve command that would be independent of the Army Forces Command and commanded by an officer who would report directly to the Army Chief of Staff.

The Senate bill contained no similar provision.

The House recesses.

Assignment of reserve forces to combatant commands

The House amendment contained a provision (sec. 903) that would amend existing law that requires all forces to be assigned by the service secretaries to the combatant commands by providing (1) that reserve units, other than those called or ordered to active duty or reserve special operations units, be allocated to the combatant commands to which they may be assigned upon activation; (2) for the combatant commanders to establish standards in the areas of joint training and readiness; and (3) for the service secretaries to meet the standards established by the combatant commanders.

The Senate bill contained no similar provision.

The House recesses. The conferees have been informed that the Joint Chiefs of Staff have reached agreement on the authorities of the combatant commanders with respect to reserve component units that have not been called or ordered to active duty.

TITLE X-GENERAL PROVISIONS

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Emergency supplemental authorization of appropriations for fiscal year 1994 (sec. 1002)

The Senate bill contained a provision (sec. 1002) that would authorize supplemental appropriations for fiscal year 1994 for the incremental costs of operations in Somalia, Bosnia, Southwest Asia, and Haiti.

The House amendment contained no similar provision.

The House recesses with an amendment that would also authorize \$270.0 million for emergency supplemental appropriations for the Department of Defense to cover incremental costs related to the ongoing humanitarian relief effort for the refugees in and around the border areas of Rwanda. The conferees agree to authorize emergency supplemental appropriations for Rwanda only for the relief of the refugees. This section should not be construed as authorizing the military forces of the United States to engage in "nation-building" efforts in Rwanda.

Incorporation of classified annex (sec. 1003)

The House amendment contained a provision (sec. 1003) that would incorporate the classified annex that accompanied the House bill (H.R. 4301) into that act.

The Senate bill contained no similar provision.

The Senate recedes with a technical amendment that would incorporate the classified annex prepared by the conference committee into law.

The classified annex of legislative provisions to this conference report is incorporated by reference into this act and has the force and effect of law. The classified annex is available to the Senate and House of Representatives during consideration of this conference report, and will be made available to the President at the time of presentment of this legislation.

Date for submission of future-years mission budget (sec. 1004)

The Senate bill contained a provision (sec. 1003) that would require the submission of the future-years mission budget required by section 222 of title 10, United States Code, within 60 days of the submission of the President's budget.

The House amendment contained a similar provision (sec. 1004) that would require submission of the report within 30 days of the submission of the President's budget.

The House recedes.

Submission of future-years defense program in accordance with law (sec. 1005)

The Senate bill contained a provision (sec. 1004) that would require the submission of the fiscal year 1996 future years defense program (FYDP) within 90 days of the submission of the President's budget.

The Senate bill would also require the Secretary of Defense, after consultation with the Inspector General of the Department of Defense, to certify that the FYDP complies with the requirement for consistency between the FYDP and the President's budget contained in section 221(b) of title 10, United States Code.

The Senate bill would also prohibit the Department of Defense from obligating more than 10 percent of any unobligated advance procurement funds during the first 30 days after the end of the 90-day period unless the FYDP and the certification have been submitted. After this 30-day period, no advance procurement funds could be obligated until the FYDP and the certification had been submitted.

The House amendment contained no similar provision.

The House recedes with a technical amendment.

Identification and reporting of unauthorized appropriations (sec. 1006)

The House amendment contained a provision (sec. 1005) that would require the Secretary of Defense to submit a report each year upon enactment of the Department of Defense authorization and appropriation acts identifying all unauthorized programs, projects, and activities.

The Senate bill contained no similar provision.

The conferees agree to a provision that would allow the Department of Defense to obligate funds for all fiscal year 1994 programs, projects, and activities for which the amount appropriated

exceeded the amount authorized, with the exception of the programs specifically cited in this section. This section would allow fiscal year 1994 funds to be obligated for the manufacturing technology program on the basis of competition.

Support for law enforcement (sec. 1011)

The House amendment contained a provision (sec. 1011) that would extend DOD support for law enforcement authorities contained in section 1004 of the National Defense Authorization Act for Fiscal Year 1991 through fiscal year 1997 and authorize \$40.0 million for such support for fiscal year 1995.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would extend section 1004 through fiscal year 1999, delete the specific authorization for fiscal year 1995, and provide a limitation on the future transfer of DOD funds and personnel to another department or agency involved in the national counterdrug effort.

The conferees recognize that the Department's budget request strongly supports activities that are authorized by section 1004 and that a specific statutory authorization for support to law enforcement is no longer necessary.

The conferees continue to support the Department's efforts to develop and demonstrate non-intrusive inspection technology systems and the pilot outreach programs of the services and the National Guard.

The conferees support the integration of a third relocatable over-the-horizon radar (ROTHR) system into the national counter-drug effort. They have reservations, however, about placing the third system in Puerto Rico rather than in a location that would cover Mexico and Guatemala because most of the non-containerized drugs entering the United States come across the southwest border after being flown into those two countries. Accordingly, the conferees recommend the requested amount for the third system but direct the Department to conduct a comprehensive analysis of the relative contributions that the third system could make if placed in Puerto Rico or in a location in the continental United States from which it could cover Mexico and Guatemala. No funds may be expended for placing the third ROTHR system either in Puerto Rico or elsewhere until the comprehensive analysis is completed and its results reported to the congressional defense committees.

The conferees are concerned about the value and cost-effectiveness of the contribution that the mobile ground-based radars in the Andean region make to the counter-drug effort. The conferees are aware, however, that these radars have taken on important political and symbolic importance since the cessation of intelligence sharing in that region. Accordingly, the conferees agree to authorize most of the funds requested for the radars but deny \$11.8 million of the requested amount without prejudice. The conferees direct the Department to review the utility of the ground-based radars for counter-drug use in the Andean region. Upon completion of the review, the Department may submit a prior-approval reprogramming request along with the results of the review to the appropriate congressional committees.

The following table details the conferees' agreement:

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES (OPERATION AND
MAINTENANCE)

[IN THOUSANDS OF DOLLARS]

Fiscal year 1995 drug interdiction and counter-drug activities, O&M request

714,200

Increases:	
Project 1403 counterdrug R&D	6,000
Project 7403 national interagency CD institute	3,500
Project 8992 pilot outreach	1,000
Project 8993 pilot outreach	200
Project 8994 pilot outreach	200
Project 8995 pilot outreach	500
Project 8996 pilot outreach	400
Total increases	11,800

Decreases:	
Project 4419(T) SOUTHCOM radar support	11,800
Total decreases	11,800

Fiscal Year 1995 drug interdiction and counter-drug activities, O&M budget	714,200
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Provision of intelligence where drug trafficking threatens national security (sec. 1012)

The Senate bill contained a provision (sec. 1089) that would enable, without violation of law, employees or agents of foreign governments to damage, render inoperative, or destroy an aircraft in that country's territory or airspace if that aircraft is reasonably suspected to be primarily engaged in illicit narcotics trafficking, provided the President has previously determined that (1) such actions are necessary due to the extraordinary threat posed by drug trafficking to the national security of that country, and (2) the country has appropriate procedures to protect against innocent loss of life, including effective means to identify and warn aircraft. The provision would also enable, without violation of law and without giving rise to civil liability, authorized employees or agents of the United States to provide assistance for the actions of such foreign countries.

The House amendment contained no similar provision.

The House recedes with an amendment that would define the term "illicit drug trafficking" and make clarifying changes.

Report on status of defense random drug testing program (sec. 1013)

The House amendment contained a provision (sec. 1042) that would require the Secretary of Defense to submit a one-time report on the Department of Defense random drug testing program.

The Senate bill contained no similar provision.

The Senate recedes with a clarifying amendment.

Transfer of USNS Maury (sec. 1021)

The House amendment contained a provision (sec. 171) that would authorize the Secretary of the Navy to transfer the USNS Maury (TAGS-39) to the Department of Transportation for assignment as a training ship to the California Maritime Academy at Vallejo, California, on the date of the decommissioning of that vessel.

The Senate bill contained no similar provision.

The Senate recedes.

Transfer of obsolete vessel Guadalcanal (sec. 1022)

The Senate bill contained a provision (sec. 1083) that would permit the Secretary of the Navy, upon the decommissioning of the USS Guadalcanal (LPH-7), to transfer the ex-USS Guadalcanal to the not-for-profit organization Intrepid Museum Foundation, New York, New York.

The House amendment contained no similar provision.

The House recesses.

Enhanced Marine Corps prepositioning (sec. 1023)

The Senate bill would provide \$220.0 million to purchase and convert two additional maritime prepositioning ship (MPS) vessels for use by the Marine Corps MPS squadrons. This program has been described as the MPS enhancement program.

The House amendment contained no similar funding.

The conferees agree to provide \$220.0 million in the National Defense Sealift Fund for the purposes intended in the Senate bill and agree to a provision that would exempt the MPS enhancement program from the provisions of section 2218(f) of title 10, United States Code.

Assistance to family members of certain POW/MIAs who remain unaccounted for (sec. 1031)

The Senate bill contained a provision (sec. 1062) that would establish a single point of contact within the Defense POW/MIA Office (DPMO) for the families of the POWs and MIAs from the Korean War and Cold War who are unaccounted for.

The House amendment contained a provision (sec. 1051) that was virtually identical to the Senate provision except that it did not cover the families of Cold War POW/MIAs who are unaccounted for.

The House recesses with an amendment that would designate the National Archives and Records Administration as the centralized record repository.

Review of missing persons laws (sec. 1032)

The Senate bill contained a provision (sec. 1069) that would make certain findings and require the Secretary of Defense, in consultation with the secretaries of the military departments, the national POW/MIA family organizations, and the national veterans organizations, to review the provisions of law relating to missing persons and to submit to Congress within 180 days his recommendation as to whether those laws should be amended.

The House amendment contained no similar provision.

The House recesses with an amendment that would delete the findings and the requirement that the Secretary of Defense consult with the national POW/MIA family organizations and the national veterans organizations. The conferees, nevertheless, urge the Secretary to take the views of those organizations into consideration in conducting his review and making his recommendations to the Congress.

Contact with China on POW/MIA issues (sec. 1033)

The Senate bill contained a provision (sec. 1070) that would make certain findings and express the sense of the Congress that the Secretary of Defense should establish contact with the Ministry of Defense of the People's Republic of China regarding unresolved issues relating to American POW/MIAs from the Korean conflict.

The House amendment contained no similar provision.

The House recesses.

Information concerning unaccounted for personnel of the Vietnam conflict (sec. 1034)

The Senate bill contained a provision (sec. 1073) that would require the Secretary of Defense to submit to Congress a listing by name of all unaccounted for U.S. personnel from the Vietnam conflict about whom it is possible that officials of the Socialist Republic of Vietnam or the Lao People's Democratic Republic can produce information that could lead to the maximum possible accounting for those personnel.

The House amendment contained no similar provision.

The House recesses.

Report on POW/MIA matters concerning North Korea (sec. 1035)

The Senate bill contained in a provision (sec. 1074) that would make certain findings and require the Secretary of Defense to submit reports to Congress in January, May, and September 1995 on the status of efforts to obtain from North Korea information on and the remains of U.S. personnel unaccounted for from the Korean War. The provision also would require the Secretary to actively seek to establish a joint working level commission with North Korea to resolve the remaining cases relating to U.S. POW/MIAs from the Korean conflict.

The House amendment contained no similar provision.

The House recesses with an amendment that would reduce the number of reports to two and require the President to give serious consideration to establishing a joint working level commission with North Korea.

Disclosure of information concerning POW/MIAs from the Korean conflict, the Cold War, and the Vietnam era (sec. 1036)

The Senate bill contained a provision (sec. 1071) that would amend section 1082 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 that deals with the disclosure of information in the custody of the Department of Defense concerning POW/MIAs from the Vietnam conflict. The provision would extend that section to unaccounted U.S. personnel from the Korean conflict and the Cold War and apply it to the Archivist of the United States who has custody of records, reports, and information relating to the Korean conflict and the Cold War.

The House amendment contained no similar provision.

The House recesses with a technical amendment that would clarify the meaning of the term "Cold War."

Annual report on denial, revocation, and suspension of security clearances (sec. 1041)

The House amendment contained a provision (sec. 1031) that would require the Secretary of Defense to submit to Congress an annual report concerning the denial, revocation, or suspension of security clearances by the Department of Defense for fiscal year 1995 through fiscal year 2000.

The Senate bill contained no similar provision.

The Senate recesses with an amendment that would clarify that the reports should be based upon information that can be obtained through standard DOD data bases without imposing significant new data collection requirements on the Department of Defense.

Study on use of low-enriched uranium to fuel naval reactors (sec. 1042)

The House amendment contained a provision (sec. 1053) that would direct the Secretary of Energy and the Secretary of Defense to study the costs, advantages, and disadvantages of using low-enriched uranium to fuel naval reactors.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would direct the Secretary of the Navy to conduct the study.

Commendation of individuals exposed to mustard agents (sec. 1051)

The House amendment contained a provision (sec. 1036) that would express the sense of Congress that the Secretary of Defense should issue a commendation to individuals who were exposed to mustard agents in connection with testing during World War II; require the Secretary to notify such individuals of the exposure, possible health effects, and likely options for treatment; and require the Secretary to provide the Secretary of Veterans' Affairs with any information regarding the exposure, including the names of the individuals involved.

The Senate bill contained no similar provision.

The Senate recedes.

USS INDIANAPOLIS (CA-35): gallantry, sacrifice and a decisive mission to end World War II (sec. 1052)

The House amendment contained a provision (sec. 1035) that would recognize the contributions of the USS INDIANAPOLIS to the ending of World War II.

The Senate bill contained no similar provision.

The Senate recedes.

Increased authority to accept voluntary services (sec. 1061)

The Senate bill contained a provision (sec. 337) that would amend section 1588 of title 10, United States Code, to expand the areas in which volunteers can provide services in military communities. Under the provision, volunteers would be considered government employees for the purpose of compensation for work-related injuries, tort liability, access to records, and conflict of interest restrictions.

The House amendment contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to conduct a pilot program involving a variety of services to evaluate the Department's policies and procedures for the acceptance of voluntary services.

Civil Air Patrol (sec. 1062)

The Senate bill contained a provision (sec. 342) that would reorganize the Air Force liaison with the Civil Air Patrol.

The House amendment contained a similar provision (sec. 367).

The House recedes.

Prohibition on the purchase of surety bonds and other guarantees for the Department of Defense (sec. 1063)

The Senate bill contained a provision (sec. 321) that would prohibit the Department of Defense from using funds to provide financial guarantees for the direct performance of the Department of Defense.

The House amendment contained no similar provision.

The House recedes with an amendment that would extend this prohibition.

Use of inmate labor at military installations (secs. 1064 and 1065)

The Senate bill contained a provision (sec. 1051) that would permit installation commanders to enter into agreements with state or local governments under which non-violent offenders could perform certain services on military installations.

The Senate bill also contained two related provisions (secs. 1052 and 1053) that would expand the authority granted to the Department of the Navy in the National Defense Authorization Act for Fiscal Year 1994 to conduct a demonstration project to test the feasibility of using Navy facilities to provide employment training for non-violent offenders in a state penal system.

The House amendment contained no similar provisions.

The Senate recedes on section 1051 and the House recedes on sections 1052 and 1053 with an amendment that would make clarifying changes. These provisions would expand the demonstration project authorized last year to three installations in the Army and Navy. They would also clearly limit the use of inmate labor to specific activities and specify that inmate labor may not displace government or defense contractor employees, impair any contract for services at the installation, or involve services in skills for which there is a local surplus of available labor.

The conferees strongly support the demonstration program and urge the Department of Defense to fully use this authority in fiscal year 1995. Recognizing that the provisions do not require a report until two years after enactment of this act, the Armed Services Committees of the Senate and the House of Representatives will solicit comments from Department of Defense witnesses on the status and initial impressions of the project, including comments from commanders of participating installations, during hearings in fiscal year 1995.

Interagency placement program for federal employees affected by reduction-in-force actions (sec. 1066)

The Senate bill contained a provision (sec. 1080) that would direct the Office of Personnel Management to study and, if feasible, establish an interagency placement program for federal employees affected by reduction-in-force actions.

The House amendment contained no similar provision.

The House recedes with an amendment that would make clarifying changes and exclude the United States Postal Service and Postal Rate Commission from the definition of "agency" for the purposes of this provision.

National Museum of Health and Medicine (sec. 1067)

The Senate bill contained a provision (sec. 1086) that would require the National Museum of Health and Medicine to be located on or near the Mall in the District of Columbia on land owned by the federal government and/or the District of Columbia, and would express the sense of Congress on the location of the National Museum of Health and Medicine.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Assignments of employees between federal agencies and FFRDCs (sec. 1068)

The Senate bill contained a provision (sec. 1087) that would include federally funded research and development centers (FFRDCs) on the list of institutions eligible to utilize the Intergovernmental Personnel Act for exchanges of employees with federal agencies.

The House amendment contained no similar provision.

The House recedes.

Review of the Bottom-Up Review and the Future Years Defense Program and establishment of new funding requirements and priorities (sec. 1069)

The Senate bill contained a provision (sec. 1091) that would make a number of findings concerning national military strategy, military force structure, and the level of the defense budget. The provision would also express the sense of Congress that (1) the Secretary of Defense should review the assumptions and conclusions of the Bottom-Up Review and the Future Years Defense Program; (2) the Secretary should submit to the President and the Congress a report detailing the force structure required for an effective defense of the United States and its vital national interests; (3) the President should submit to Congress a report detailing the steps he will take to meet the force structure recommended by the Secretary; and (4) the fiscal year 1996 defense budget should reflect the funding necessary to support the force structure recommended by the President.

The House amendment contained a provision (sec. 402) that would prohibit the President from deploying elements of more than one division of the Army's contingency force for operations other than war unless elements of all divisions that are not part of the Army's contingency force are currently deployed for such operations. The provision is related to a proposal that the Army be comprised of twelve divisions as discussed on pages 231-234 of the House report (H. Rept. 103-499).

The House amendment also contained a provision (sec. 553) that would make several findings and express the sense of Congress on a specific force structure for the armed forces and funding for national defense.

The House recedes with an amendment that would add several findings relating to the involvement of U.S. forces in operations other than war and the tradeoffs required among various elements of the defense budget. The amendment would also call for the Secretary of Defense's review and report to consider (1) the participation of U.S. forces in operations other than war, and (2) the potential need to address changes in national security planning, programs, the national military strategy, and the proposal to structure the Army around 12 active duty divisions. Finally, the amendment would encourage the President to increase defense spending if required to meet new or existing threats.

Technical amendments (sec. 1070)

The Senate bill contained a provision (sec. 1096) that would codify and clarify certain provisions of law and make certain technical amendments.

The House amendment contained no similar provision.

The House recedes with an amendment.

Authorization to exchange certain items for transportation services (sec. 1071)

The House amendment contained a provision (sec. 1056) that would amend section 2572 of title 10, United States Code, to authorize the Secretary of Defense to exchange certain historical artifacts not needed by the armed forces for transportation services which directly benefit the historical collections of the armed forces.

The Senate bill contained no similar provision.

The Senate recesses.

Air National Guard fighter aircraft force structure (sec. 1072)

The Senate bill contained a provision (sec. 307) that would require the Secretary of Defense to review the findings of the Commission on Roles and Missions of the Armed Forces on the role and requirements for general purpose fighter units of the Air National Guard and to complete, within 30 days of the Commission's report, a study which recommends the appropriate level of primary aircraft authorized for such units.

The House amendment contained no similar provision.

The House recesses.

Visas for officials of Taiwan (sec. 1073)

The Senate bill contained a provision (sec. 1078) that would require the President of Taiwan or any other high-level official of Taiwan to be admitted to the United States whenever the official applies to visit the United States to conduct certain discussions.

The House amendment contained no similar provision.

The House recesses with an amendment that would express the sense of Congress that no visas should be denied for high-level officials of Taiwan to enter the United States, unless the official is otherwise excludable under U.S. immigration laws.

Defense Mapping Agency (sec. 1074)

The Senate bill contained a provision (sec. 1064) that would affect the Defense Mapping Agency (DMA) in two ways. First, it would preclude unauthorized use of the name, initials, or seal of the DMA. Second, it would clarify that the United States has not waived sovereign immunity with respect to lawsuits based upon the content of DMA maps and charts.

The House amendment contained no similar provision.

The House recesses.

Limitation regarding telecommunications requirements (sec. 1075)

The Senate bill contained a provision (sec. 1067) that would prohibit the Department of Defense from taking actions to merge "Warner-exempt" telecommunications activities with FTS-2000 until the Secretary of Defense certifies that DOD requirements can be met.

The House amendment contained no similar provision.

The House recesses with an amendment that would clarify that nothing in the provision may be construed as modifying or superseding, or as intended to impair or restrict, authorities or responsibilities under current laws.

LEGISLATIVE PROVISIONS NOT ADOPTED

Support for international peace operations

The Senate bill contained a provision (sec. 1032) that would establish a contributions for international peacekeeping and peace enforcement activities fund (CIPA); authorize the use of DOD funds to pay the U.S. fair share of assessments for United Nations operations in which U.S. combat forces participate; authorize the furnishing of supplies, services, and equipment on a reimbursable basis in support of U.N. peace operations; require advance notice by the President to designated congressional committees in certain circumstances; provide for the use of reimbursements from the United Nations; and authorize up to \$300.0 million for the CIPA fund.

The House amendment contained a provision (sec. 1050) that would prohibit the use of DOD funds to pay U.S. assessments to the United Nations for peacekeeping operations.

The conferees agree to delete both provisions. The conferees were deeply divided on whether DOD funds should be used to pay U.N. peacekeeping assessments. The conferees realize that this issue and a number of others relating to U.N. peace operations will almost certainly have to be dealt with in the next Congress. By then, the conferees will have further experience with U.N. peace operations and an additional year in which to consider these matters through hearings and consultations.

Termination of certain Department of Defense reporting requirements

The Senate bill contained a provision (sec. 1042) that would terminate certain Department of Defense reporting requirements on the date of the enactment of this act.

The House amendment contained no similar provision.

The Senate recedes. Section 1151 of the National Defense Authorization Act for Fiscal Year 1994 required the Secretary of Defense to submit to Congress by April 30, 1994, a list of reports that the Secretary determined to be unnecessary or incompatible with the efficient management of the Defense Department. Unfortunately, Congress did not formally receive the list until July 29, 1994. This late submission did not leave Congress enough time to adequately review the reports proposed for termination.

The list submitted by the Defense Department contains nearly 100 reports that will automatically be terminated on October 30, 1995, unless they are continued by legislation. During their review of this list in 1995, the Armed Services Committees of the Senate and House of Representatives will not consider retaining any report on the list unless it is shown to be necessary for national security or essential to congressional oversight.

Transfer of naval vessels to Brazil

The Senate bill contained a provision (sec. 1065) that would authorize the transfer of two "KNOX" class frigates to Brazil.

The House amendment contained no similar provision.

The Senate recedes. A separate bill that has now been passed by both the Senate and the House of Representatives, H.R. 4429, would authorize the transfer of these frigates as well as five other ships.

Acquisition of strategic sealift ships

The Senate bill contained a provision (sec. 1068) that would transfer \$608.6 million from the shipbuilding and conversion, Navy account to the National Defense Sealift Fund. This provision would restore funding to exercise contract options to continue implementation of the strategic sealift program.

The House amendment contained no similar provision.

The Senate recedes. The conferees agree to recommend full funding of the sealift contract options.

Certification of declassification of POW/MIA materials

The Senate bill contained a provision (sec. 1072) that would require the Secretary of Defense to issue a certification within 60 days after enactment of the bill that all materials related to Vietnam-era POWs and MIAs have been declassified.

The House amendment contained no similar provision.

The Senate recedes.

The conferees believe it is important that all available documents related to unaccounted for U.S. personnel from Southeast Asia be located and declassified to the maximum extent possible. Current law requires just that. The conferees are troubled by the proposal to require the Secretary of Defense to formally certify in writing that no more documents remain in federal records in classified form that could shed light on Vietnam-era POW/MIAs when there is always the possibility that additional information may be located by those responsible for declassifying POW/MIA documents. The effect of requiring a formal certification that no more documents remain could be the opposite of that intended. An individual who has told his superior he has searched all the files and no relevant documents exist-leading that superior to sign a formal certification-and who later stumbles across a relevant document may decide to dispose of the document quietly rather than produce it publicly.

The conferees believe that a good-faith effort has been and continues to be made to locate and declassify documents pertaining to Vietnam-era POW/MIAs in accordance with Executive Order requirements and section 1082 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 50 U.S.C. 401 note). At the same time, the conferees are aware of the concerns of Members that all pertinent POW/MIA documents have not been disclosed. Accordingly, the conferees direct the Defense POW/MIA Office to ensure that all documents pertaining to Vietnam-era POW/MIAs are disclosed on a continuing basis to POW/MIA family members and the public in accordance with Executive Order requirements, section 1082 of the National Defense Authorization Act for Fiscal Years 1992 and 1993, and section 404 of the Intelligence Authorization Act for Fiscal Year 1989 (Public Law 100-453; 50 U.S.C. 401 note).

Review of DOD procedures for investigating deaths from causes determined to be self-inflicted

The Senate bill contained a provision (sec. 1085) that would express the sense of Congress that, upon receipt of the report required by section 1185 of the National Defense Authorization Act for Fiscal Year 1994, the Senate Committee on Armed Services should review the report and hold hearings related to the procedures employed by Department of Defense investigative organizations when conducting an investigation into the death of a member of the armed services who, while serving on active duty, died from a cause determined to be self-inflicted.

The House amendment contained no similar provision.

The Senate recedes. The conferees note that the Senate Armed Services Committee has agreed to review the DOD report in the course of its oversight hearings on military manpower issues. The conferees agree that the report should be reviewed thoroughly by the Armed Services Committees of both the Senate and the House of Representatives. In view of the commitment of the conferees to a thorough review of the report, the conferees agree that a specific sense of Congress provision is unnecessary.

Genocide in Rwanda

The Senate bill contained a provision (sec. 1092) that would express certain congressional findings and policies on the situation in Rwanda.

The House amendment contained no similar provision.

The Senate recesses.

Clarification of scope of authorization

The House amendment contained a provision (sec. 1002) that would specify that no funds are authorized to be appropriated in this act for the Department of Justice.

The Senate bill contained no similar provision.

The House recesses.

Funding for contingency operations

The House amendment contained a provision (sec. 1021) that would amend section 127a of title 10, United States Code, by removing the \$300.0 million cap on the total of unreimbursed sums that may be drawn from the resources of the Defense Business Operations Fund (DBOF) at any one time; expand the purposes of the cash account established in fiscal year 1994 to cover any and all costs that cannot be funded through the DBOF; authorize the appropriation of \$300.0 million for fiscal year 1995; and restrict the use of the Fund and any of the resources of the DBOF to those operations formally designated as national contingency operations.

The Senate bill contained no similar provision.

The House recesses.

Transfer of certain B-17G aircraft

The House amendment contained a provision (sec. 1034) that would require the Secretary of the Air Force to transfer all right, title, and interest of the Air Force in a certain B-17G aircraft to the organization known as Planes of Fame, Chino, California.

The Senate bill contained no similar provision.

The House recesses.

Armed Forces Expeditionary Medal

The House amendment contained a provision (sec. 1037) that would express the sense of Congress that certain servicemembers who served in El Salvador should be considered eligible to receive the Armed Forces Expeditionary Medal.

The Senate bill contained no similar provision.

The House recesses.

TITLE XI-DEFENSE CONVERSION, REINVESTMENT, AND TRANSITION ASSISTANCE

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Funding for the defense conversion, reinvestment and transition assistance programs for fiscal year 1995 (sec. 1102)

The House amendment contained a provision (sec. 1302) that would summarize the amounts authorized for defense conversion, reinvestment, and transition assistance programs. The House provision would authorize \$3,256.4 million.

The Senate bill contained no similar summary provision.

The Senate recedes with an amendment. The conferees agree to authorize \$3,090.8 million for defense conversion, reinvestment, and transition assistance programs. The categories in the following table summarize the conferees' agreement:

FUNDING OF DEFENSE CONVERSION, REINVESTMENT AND TRANSITION
ASSISTANCE PROGRAMS IN FISCAL YEAR 1995

[MILLIONS OF DOLLARS]

DEFENSE TECHNOLOGY CONVERSION AND REINVESTMENT (FUNDING SOURCE)

PE 603570E TRP/dual-use partnerships (R&D)	625.0
PE 603739E Mfg. technology (R&D)	398.3
PE 602301E Computing systems (R&D)	394.6
PE 602712E Electronics and materials (R&D)	256.8
various Sm. bus. innovative research (R&D)	161.0
PE 603745E SEMATECH (R&D)	90.0
PE 601101E Basic research (R&D)	87.7
PE 603570D Other reinvestment programs (R&D) ¹	76.0
PE 60x572N Navy reinvestment program (R&D)	50.0
PE 603744E Advanced simulation (R&D)	20.9
PE 603226E Law enforcement/peacekeeping (R&D)	20.0
PE 602702E Law enforcement/peacekeeping (R&D)	10.0
Subtotal	2,190.4

PERSONNEL ASSISTANCE TRANSITION

Temporary early retirement (personnel) ²	392.1
Separation pay/civilian benefits (O&M)	301.7
Guard and reserve transition (O&M)	139.5
Other initiatives (O&M)	99.0
Transition assistance (O&M)	72.4
Troops to teachers (O&M)	65.0
Troops to law enforcement/public safety (O&M)	25.0
Ship recycling demonstrations (procurement)	7.5
Bilingual math/science education demo projects (O&M)	5.0
Subtotal [all]	1,107.2
Subtotal [requiring authorization]	715.1

COMMUNITY ASSISTANCE

National Guard youth programs (O&M)	71.4
Junior ROTC expansion (O&M)	59.8
Office of Economic Adjustment	54.1
Subtotal	188.3
Total [all]	3,482.8
Total [Title XI authorized]	3,090.8

¹\$11.0 million provided for law enforcement/peacekeeping initiative.

²Authorization not required.

Funding for defense technology reinvestment programs (sec. 1111)

The Senate bill contained a provision (sec. 231) that would allocate funds for the defense technology reinvestment program element of the Defense Agencies research budget.

The House amendment included a similar provision (sec. 1111).

The Senate recedes with an amendment that would make \$751.0 million of RDT&E funds available for the following reinvestment programs:

[Dollars in millions]

Defense Reinvestment Program (PE 63570E)	625.0
Dual-use partnerships	245.0
Commercial-military integration	96.0
Regional tech alliances	80.0
Defense adv. manufacturing partnership	30.0
Manufacturing extension	25.0
Def. manufacturing engin. education	24.0
Maritech	50.0
Agile manufacturing	35.0
Materials partnerships	30.0
US-Japan management training	10.0
Defense Reinvestment Program (PE 63570D)	76.0
Defense lab diversification	10.0
Loan guarantees	50.0
Small business technical assistance	5.0
Operations other than warfare/law enforcement	11.0
Navy Reinvestment Program (PEs 61572N, 62572N, and 63572N)	50.0

The conferees agree that the total funding for the operations other than warfare (OOTW)/law enforcement program, including funding to support the memorandum of understanding between DOD and the Justice Department, is \$41.0 million. In addition to the \$11.0 million described above, the conferees direct that \$10.0 million be available for this program in the ARPA tactical technology program element (PE 62702E) and that \$20.0 million be available in the ARPA experimental evaluation of major innovative technologies program element (PE 63226E).

Peacekeeping/law enforcement technology (sec. 1112)

The budget request contained \$10.0 million for research into non-lethal technologies that are applicable to peacekeeping in PE 62702E.

The Senate bill would provide an additional \$20.0 million for peacekeeping technology in PE 63226E. The Senate report (S. Rept. 103-282) expressed support for the April 20, 1994 memorandum of understanding (MOU) between the Department of Defense (DOD) and the Department of Justice (DOJ) on a joint technology development initiative.

The House amendment contained a provision (sec. 1111) that would authorize \$37.0 million in funding for support of the DOD/DOJ MOU activities, and the House report (H. Rept. 103-499) described specific technologies of interest to both DOD and the Department of Justice to be pursued in the context of the MOU initiative.

The Senate recedes with an amendment that would explicitly authorize \$41.0 million for this initiative from multiple funding sources.

The conferees expect that the MOU operation will maximize the benefits to state and local law enforcement agencies as well as develop technologies related to peacekeeping activities and military operations other than war. The conferees urge both DOD and the Justice Department to fully share the technologies applicable to their respective missions but note that the acquisition and deployment of equipment utilizing these technologies is the responsibility of the respective departments. The conferees also support the discussion in the House report (H. Rept. 103-499) on the technologies to be identified, developed, and deployed with the funding provided in this section. In addition to those technologies, the conferees also believe that sniper identification and response technologies should be among those reviewed in the context of the DOD/DOJ MOU process.

Federal defense laboratory diversification and Navy reinvestment programs (sec. 1113)

The Senate bill included a provision (sec. 234) that would provide a statutory framework for the federal defense laboratory diversification and Navy reinvestment programs proposed by the Administration.

The House amendment contained no similar provision.

The House recedes.

Loan guarantees under the defense dual-use assistance program (sec. 1114)

The Senate bill contained a provision (sec. 235) that would fund a loan guarantee program for small defense firms.

The House amendment included a provision (sec. 1113) that would add criteria for the loan guarantee program under section 2524 of title 10, United States Code.

The Senate recedes with an amendment. The conferees agree to provide \$50.0 million for the Department of Defense to carry out a loan guarantee program in fiscal year 1995 in conjunction with the Small Business Administration (for loans to small businesses), and with the Economic Development Administration or other appropriate federal agency (for loans to medium-sized businesses). At least 60 percent of the funding shall be devoted to loan guarantees to small businesses with the remaining funds to be used for loan guarantees to medium-sized businesses.

The amendment would also include eligibility requirements that emphasize that (1) the recipients of the loans must be DOD contractors and subcontractors; (2) the loans must involve capital improvements that are at least partially utilized by DOD; and (3) the loans should promote the retention of workers under contracts and subcontracts with the Department of Defense.

Financial commitment requirements for small businesses (sec. 1115)

The Senate bill contained a provision (sec. 232) that would allow a small business at least 120 days after receiving an award in certain technology reinvestment programs to obtain the requisite non-federal cost-share from the venture capital market.

The House amendment included a similar provision (sec. 1114).

The Senate recedes with an amendment.

Conditions on funding of technology reinvestment projects (sec. 1116)

The Senate bill included a provision (sec. 233) that would establish conditions for funding technology reinvestment projects, including a requirement for the use of competitive selection procedures.

The House amendment contained a similar provision (sec. 1115).

The Senate recedes with an amendment.

National defense technology and industrial base (sec. 1117)

The Senate bill contained a provision (sec. 821) that would prohibit the Secretary of Defense from obligating or expending any of the funds authorized in PE 65104D until the annual national defense technology and industrial base assessment and plan required by sections 2505 and 2506 of title 10, United States Code, have been submitted.

The House amendment contained no similar provision.

The House recedes with an amendment. The conferees agree that only half the funds in PE 65104D will be subject to the provision. The conferees, however, direct the Secretary to submit the following to the Committees on Armed Services of the House of Representatives and Senate: (1) any industry sector studies prepared to support the annual capability assessment and plan as soon as they are completed; and (2) by September 30, 1994, a detailed description of the reasons for not submitting the annual capability assessment and plan and a schedule for their submission.

Documentation for awards under the technology reinvestment project (sec. 1118)

The Senate bill contained a provision (sec. 825) that would require certain documentation for awards of cooperative agreements or other transactions under the technology reinvestment project.

The House amendment included no similar provision.

The House recedes.

Comptroller General assessment of technology reinvestment project (sec. 1119)

The Senate bill contained a provision (sec. 826) that would require the Comptroller General to assess the extent to which individual technology reinvestment project activities advance national security or other objectives.

The House amendment included no similar provision.

The House recedes.

Funds for adjustment and diversification assistance for states and local governments from Office of Economic Adjustment (sec. 1121)

The House amendment contained a provision (sec. 1121) that would provide \$54.1 million for community adjustment and economic diversification assistance.

The Senate bill contained no similar provision.

The Senate recedes.

Studies and plans for market diversification (sec. 1122)

The House amendment contained a provision (sec. 1122) that would amend section 2391(d) of title 10, United States Code, to include a definition of "community adjustment" and "economic diversification", and that would provide \$10.0 million to develop feasibility studies and business plans for market diversification in communities adversely affected by defense budget reductions.

The Senate bill contained no similar provision.

The Senate recedes with a technical amendment.

Advance community adjustment and economic diversification planning (sec. 1123)

The House amendment contained a provision (sec. 1123) that would provide funding for communities to conduct advance planning in anticipation of base realignment and closure decisions.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would clarify that up to \$5.0 million is available for advance planning grants and that would remove the cap on the amount of funds available to any single community.

This funding is provided to assist communities that engage in advance economic planning in anticipation of base closure and realignment actions. Many communities have expressed interest in beginning planning activities in advance of any final decision by the Base Closure Commission and the Congress. This would enable these communities to have a smooth transition in the event that a base is closed in their community. The conferees believe that no more than \$500,000 should be made available to one community or group of communities potentially affected by one base.

The conferees direct the Secretary of Defense to monitor these grants closely. In the event a community receives a grant under this section and the local base is not closed, the conferees expect DOD to recoup any unspent funds. In the event that the base is closed, the conferees expect DOD to take into consideration the funds received under this section in awarding any other transition, adjustment, and diversification grants under section 2391 of title 10, United States Code, or any other authorities.

Increased eligibility and application periods for troops-to-teachers program (sec. 1131)

The Senate bill contained a provision (sec. 643) that would ensure that, notwithstanding any other provision of law, servicemembers discharged or released from active duty after October 1, 1990, who meet all other eligibility requirements, are eligible to participate in the troops-to-teachers program described in section 1151 of title 10, United States Code.

The House amendment contained a provision (sec. 1131) that would authorize \$65.0 million for teachers and teacher's aide placement programs for fiscal year 1995.

The House recedes with an amendment that would authorize \$65.0 million for teachers and teacher's aid placement programs for fiscal year 1995.

Assistance for eligible members to obtain employment with law enforcement agencies (sec. 1132)

The Senate bill contained a provision (sec. 644) that would authorize the Secretary of Defense to enter into an agreement with the Attorney General to establish or participate in a program to assist certain members and former members of the armed services to obtain employment with law enforcement agencies.

The House amendment contained a similar provision (sec. 1132) that would expand the troops-to-law enforcement officer program to authorize the Secretary of Defense to assist the placement of displaced federal fire fighters who worked on military bases and other facilities.

The House recedes with an amendment that would authorize the expansion of the troops-to-law enforcement officer program to include fire fighters if the Secretary of Defense certifies that such expansion would facilitate personnel transition programs in the Department of Defense. The conferees note that the grants to facilitate placement under this program are intended to reimburse participating agencies for costs, including salaries and fringe benefits, of employing individuals under this program. These costs may include training necessary to meet state or local law enforcement certification requirements.

Additionally, the conferees encourage the Department of Defense to review those troops-to-law enforcement officer programs already in operation, such as the certified Georgia peace officer course, to determine whether any aspects of one or more of these programs should be used as a model for application on a regional or national basis.

Pilot program to place separated members and terminated defense employees in teaching positions as bilingual math and science teachers (sec. 1133)

The House amendment contained a provision (sec. 1133) that would authorize \$3.0 million for a pilot program designed to encourage bilingual (English-Spanish) servicemembers and DOD civilian employees to become math and science teachers upon leaving federal service. Under the program, individuals who participate would be eligible to receive a stipend, and educational institutions or other non-federal entities would be compensated for reasonable costs incurred in connection with program participation.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would authorize \$5.0 million for this program and would authorize the program to also include servicemembers and DoD civilian employees who are bilingual in English and languages other than Spanish. Nonetheless, the conferees expect and strongly encourage the Secretary of Defense, in the execution of this authority, to select the entity for the first cooperative arrangement from among the eligible Hispanic entities.

Demonstration project to assist separated members and terminated defense workers to become business owners (sec. 1134)

The House amendment contained a provision (sec. 1134) that would authorize the Secretary of Defense to establish, in not more than two eligible communities, demonstration projects to assist separated servicemembers and terminated defense workers own their own businesses.

The Senate bill contained no similar provision.

The Senate recedes.

Demonstration project to promote ship recycling as a method to assist separating members and terminated employees (sec. 1135)

The House amendment contained a provision (sec. 1135) that would authorize \$15.0 million for the establishment of a ship recycling and defense worker job creation program.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would authorize \$7.5 million for this program and require, at least 180 days prior to carrying out this project, the Secretary of Defense to certify to Congress that the project will facilitate the Department's personnel transition programs and will not disrupt the operation of U.S. companies engaged in ship recycling and scrapping.

Administration and funding of DDP/DCAP under Job Training Partnership Act (sec. 1136)

The House amendment contained a provision (sec. 1136) that would clarify the administration and funding of the defense diversification program and defense conversion adjustment program under the Job Training Partnership Act.

The Senate bill contained no similar provision.

The Senate recesses.

Assistance for certain workers dislocated due to reductions by the United States in the export of defense articles and services (sec. 1137)

The Senate bill and the House amendment contained identical provisions (secs. 924 and 1138, respectively) that would authorize assistance under the defense conversion adjustment program for certain workers dislocated due to reductions by the United States in the export of defense articles and services.

The conferees agree to include this provision.

Armament retooling and manufacturing support (sec. 1141)

The Senate bill contained a provision (sec. 345) that would authorize the Secretary of the Army to enter into agreements with agencies to administer a loan guarantee program as part of the armament retooling and manufacturing support (ARMS) initiative, consistent with the Federal Credit Reform Act of 1990 (title V of the Congressional Budget Act of 1974; 2 U.S.C. 661c). The provision would limit the total amount of loan principal which could be guaranteed at \$65.0 million for all borrowers. This provision also would extend the authority for ARMS through fiscal year 1996.

The House amendment contained two provisions that would extend ARMS through fiscal year 1996 (sec. 1141) and provide loan guarantee authority (sec. 1142) limited to \$320.0 million.

The House recesses with an amendment that would set the maximum amount of loan principal guaranteed during a fiscal year at \$320.0 million.

Changes of notice requirements upon termination of defense programs (sec. 1142)

The Senate bill included a provision (sec. 1082) that would require certain notices to be made to employees of affected firms within 90 days after adverse actions in the budget process.

The House amendment included a similar provision (sec. 1151) that would require the notices within 30 days.

The Senate recesses with an amendment that would require the notices within 60 days of the budgetary actions.

Plan for deployment of defense environmental technologies for dredging of dual-use ports (sec. 1143)

The House amendment contained a provision (sec. 1152) that would direct the Secretary of Defense to establish a plan to encourage the development and deployment of defense environmental technologies in support of dredging requirements for dual-use ports.

The Senate bill contained no similar provision.

The Senate recesses.

LEGISLATIVE PROVISION NOT ADOPTED

Eligibility to lead technology reinvestment project activities

The House amendment included a provision (sec. 1112) that would make a labor organization eligible to take the lead in activities under the technology reinvestment project (TRP).

The Senate bill contained no similar provision.

The House recesses.

The conferees note that elsewhere in this act conditions are established for the funding of technology reinvestment projects. The Secretary of Defense is required to ensure that the principal economic benefits and, to the extent practicable, job creation resulting from technology reinvestment awards accrue to the U.S. economy. Accordingly, the conferees direct the Secretary to take appropriate steps to encourage greater participation of labor organizations in the TRP program.

TITLE XII-COOPERATIVE THREAT REDUCTION WITH STATES OF FORMER SOVIET UNION

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Cooperative threat reduction with states of the former Soviet Union (secs. 1201-1209)

The budget request contained \$400.0 million for cooperative threat reduction (CTR) with states of the former Soviet Union.

The Senate bill included a provision (sec. 1013) that would authorize the requested amount and extend the authorities and reporting requirements contained in the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103-160; 22 U.S.C. 5951 et seq.). The Senate bill also contained a provision (sec. 1041) that would require a report on offensive biological warfare programs of states of the former Soviet Union.

The House amendment contained a provision (sec. 1048) that would authorize the requested amount and extend the semiannual CTR report. Additionally, the House amendment contained a provision that would express the sense of Congress on the safe and secure dismantlement of the Soviet nuclear arsenal (sec. 1046); require a report on the coordination of military-to-military programs (sec. 1047); require Presidential certification that Russia has terminated its offensive biological warfare program (sec. 1049); require a report accounting for CTR assistance (sec. 1201); require a report on the accountability and control of fissile and chemical materials (sec. 1202); require a report on allied support for CTR programs and annual reports on multiyear planning for CTR programs (sec. 1203); and place specific limitations on all CTR programs for fiscal year 1995 (sec. 1204).

The conferees agree to combine the provisions of the Senate bill and the House amendment.

The conferees reiterate that the main focus of cooperative threat reduction must be on activities directly related to the safety, dismantlement, and nonproliferation of weapons of mass destruction. The conferees direct that any environmental restoration or housing activities proposed to be carried out in fiscal year 1995 may be funded only from the subaccount established in paragraph (a)(6) of section 1206 of this act and may be conducted only in accordance with the authorities established in sections 1203(b)(6) and (b)(7) of the National Defense Authorization Act for Fiscal Year 1994. The conferees note that the limitations established in section 1206 of this act would apply only to the \$400.0 million authorized to be appropriated in section 301(21) of this act.

TITLE XIII-MATTERS RELATING TO ALLIES AND OTHER NATIONS

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Cooperative research and development agreements with NATO organizations (sec. 1301)

The Senate bill contained a provision (sec. 241) that would authorize the Defense Department to conduct cooperative research and development projects under section 2350a of title 10, United States Code, with NATO organizations.

The House amendment contained no similar provision.

The House recedes.

North Atlantic Treaty Organization (sec. 1302)

The Senate bill contained a provision (sec. 1097) that would set forth the sense of the Congress on the relationship between the North Atlantic Treaty Organization (NATO) and the United Nations.

The House amendment contained a similar provision (sec. 1041).

The House recedes.

Authorized end strength for military personnel in Europe (sec. 1303)

The Senate bill contained a provision (sec. 1012) that would specify that, beginning on October 1, 1995, the end strength level of U.S. military personnel permanently stationed ashore in European members of NATO may not exceed approximately 100,000. The provision would allow the end strength level to exceed 100,000, but not 113,000, if the President makes certain certifications to Congress.

The House amendment contained a provision (sec. 385) that would exclude U.S. military personnel permanently stationed ashore in Iceland, Greenland, and the Azores from the end strength limitation.

The Senate recedes with an amendment that would set the end strength limitation at approximately 100,000.

The U.S. European Command is responding to several demanding, but very uncertain, security and humanitarian concerns in its area of responsibility. U.S. military forces permanently stationed in European members of NATO have recently deployed to Macedonia, Croatia, Kenya, the Rwandan relief operation, and the Southern Watch mission in the northern Persian Gulf. In addition, units normally stationed elsewhere in Europe have been deployed to Turkey to protect the Kurds in northern Iraq.

The uncertain nature and length of these and similar deployments that could take place in the future make it very difficult to predict the appropriate end strength level for U.S. military personnel in Europe at the end of fiscal year 1996. Therefore, the conferees agree that the U.S. European Command should have some flexibility in planning the further drawdown of its forces. The conference agreement to set the fiscal year 1996 end strength level at approximately 100,000 and to exclude U.S. military personnel stationed in Iceland, Greenland, and the Azores is intended to assist the Command in managing its personnel level to the appropriate fiscal year 1996 level.

In order to consider this matter in 1995, the conferees direct the Secretary of Defense to submit a report to Congress that includes the following information:

- (1) an assessment of the appropriate end strength level for U.S. military personnel permanently stationed ashore in European members of NATO at the end of fiscal year 1996;
- (2) a detailed justification for the Secretary's recommended end strength level;
- (3) the extent to which the recommended end strength level is determined by security and humanitarian requirements outside the NATO theater; and
- (4) the potential for reducing the number of U.S. military personnel assigned to headquarters in Europe by streamlining and consolidating headquarters functions.

The report should be submitted by March 1, 1995.

Allied share of installation costs (sec. 1304)

The House amendment contained a provision (sec. 1043) that would specify that the NATO allies should pay an increasing share of the non-personnel costs of U.S. military installations in European member nations of NATO. The provision would require the withdrawal of 1,000 U.S. military personnel for each percentage point that the NATO allies, as a group, are below certain goals.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would replace the House provision with a statement of U.S. policy that the NATO allies should pay 37.5 percent of the non-personnel costs of U.S. military installations in European members of NATO by the end of fiscal year 1996. According to the Department of Defense, the NATO allies currently pay 36 percent of such costs.

The conferees do not believe that the size and shape of the U.S. military presence in Europe should be determined solely by the extent to which the NATO allies offset U.S. stationing costs. This kind of burdensharing is an important consideration, especially in maintaining public and political support for the forward deployment of U.S. forces. However, it is only one of many factors in the calculation of the security costs and benefits of U.S. military forces in Europe.

The conferees recognize the many ways in which the NATO allies "share the burden" of our collective security efforts. For example, our NATO allies have committed about 15,000 ground personnel to the United Nations Protection Force in the former Yugoslavia. Also, Germany has contributed more assistance than any other country for the reconstruction, democratization, and economic reform of central Europe and the former Soviet Union. It has also absorbed over 500,000 refugees from eastern Europe. All of these allied efforts contribute to the security of the United States and should be considered in determining whether the NATO allies equitably share the burdens and responsibilities of providing for our mutual security.

Payments-in-kind for release of United States overseas military facilities to NATO host countries (sec. 1305)

The Senate bill contained a provision (sec. 1019) that would require the Secretary of Defense to notify the Congress of an agreement to accept military construction projects, facility improvements, or host nation support as a payment-in-kind contribution for release of U.S. overseas military facilities to host nations no later than 30 days before concluding the agreement.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

The conferees agree that the Secretary of Defense should continue efforts to negotiate for cash settlements in the return of U.S. overseas military facilities to host nations. When cash settlements cannot be agreed to, the conferees support the U.S. government receiving payments-in-kind contributions as a form of settlement. Understanding that these negotiations can be sensitive and time consuming in nature, the conferees urge the Secretary of Defense to continue to pursue these settlements in a prompt manner that is in the best interest of the U.S. government.

George C. Marshall Center (sec. 1306)

The Senate bill contained a provision (sec. 1081) that would (1) merge the funds received from the Federal Republic of Germany for its share of the costs of the George C. Marshall Center for Security Studies with the appropriations made available to the Department of Defense for the center for the same period and purpose; and (2) permit the Secretary of Defense to waive reimbursement for the costs of conferences, seminars, courses of instruction, or similar educational activities for military officers and civilian officials of cooperation partner states of the North Atlantic Cooperation Council or the Partnership for Peace if the Secretary determines that attendance by such personnel is in the national security interests of the United States.

The House amendment contained no similar provision.

The House recedes.

Participation in allied defense cooperation (sec. 1307)

The Senate bill contained a provision (sec. 1079) that would express the sense of the Senate regarding the use of existing capabilities to facilitate defense cooperation between the United States and certain nations of the former Warsaw Pact.

The House amendment contained no similar provision.

The House recedes with an amendment.

Limitation on obligation of funds for overseas basing activities (sec. 1311)

The House amendment contained a provision (sec. 1039) that would limit the amount of operation and maintenance and military construction funds that could be obligated for overseas basing activities during fiscal year 1995 to no more than \$8.181 billion. The provision would authorize the Secretary of Defense to exceed the limitation by such amount as the Secretary determines to be necessary in the national interest, but not by more than \$400.0 million.

The Senate bill contained no similar provision.

The Senate recedes. The conferees note that the budget request included \$8.581 billion (the sum of \$8.181 billion and \$400.0 million) of operation and maintenance and military construction funds for overseas basing activities.

The operation and maintenance tables in this statement of the managers include the following reductions in overseas basing activities:

[Dollars in thousands]

Account

Change from request

Army:

Wartime host nation support	-100,000
Residual value	-70,000
Foreign national employees	-120,000
Army subtotal	-290,000
Navy:	
Foreign nationals	-10,000
Navy subtotal	-10,000
Air Force:	
Foreign nationals	-70,000
Residual value	-30,000
Air Force subtotal	-100,000
Total	-400,000

The operation and maintenance tables also include a corresponding addition of \$400.0 million-\$290.0 million, \$10.0 million, and \$100.0 million in the Army, Navy, and Air Force accounts, respectively.

The conferees want to clarify that if the military services cannot achieve the overseas savings included in the operation and maintenance tables, they are authorized to spend the \$400.0 million added in the operation and maintenance tables for overseas basing activities (if the Secretary of Defense makes the determination and notification required by the House provision).

Clarification and codification of overseas military end strength limitation (sec. 1312)

The Senate bill contained a provision (sec. 1011) that would repeal the limitation that is to go into effect on October 30, 1996 on the number of U.S. military personnel permanently stationed ashore outside the United States.

The House amendment contained a provision (sec. 381) that would set the limitation at 200,000 personnel.

The Senate recedes with an amendment that would set the limitation at 203,000 personnel.

Cost-sharing policy and report (sec. 1313)

The Senate bill contained a provision (sec. 1017) that would state that the NATO allies should assist the United States in paying the incremental costs of stationing U.S. military personnel in Europe solely in support of NATO obligations. The provision would also require the Secretary of Defense to include certain information in the annual burdensharing report.

The House amendment contained no similar provision.

The House recedes with an amendment that would delete the requirement for certain information that is already provided in the annual burdensharing report and that would make clarifying changes.

Report assessing the consequences of military cooperation activities (sec. 1314)

The House amendment contained a provision (sec. 1052) that would require the Secretary of Defense to submit a report to Congress assessing, on a regional basis, the national security consequences of U.S. military cooperation programs.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would change the report from a regional to a country-by-country assessment.

Review and report relating to the Western Hemisphere (sec. 1315)

The Senate bill contained a provision (sec. 1018) that would require the Secretary of Defense to review authorities, programs, organizations, defense forums, and defense education institutions relating to cooperative regional security programs in the Western Hemisphere. The provision would require the Secretary to submit to the Armed Services Committees of the Senate and House of Representatives a report concerning U.S. strategic objectives, external and internal threats, and the contributions that the programs, defense contacts, organizations, forums, and institutions make to regional security, host nation security and national development, and the strategic objectives of the United States.

The House amendment contained no similar provision.

The House recedes with an amendment that would make clarifying changes and require the Secretary of Defense to assess U.S. humanitarian, civic assistance, and civic action programs conducted with regional host countries.

Military-to-military contacts and comparable activities (sec. 1316)

The Senate bill contained a provision (sec. 1015) that would provide a statutory basis for the military-to-military contact program; preclude funds for this program from being used to provide military education and training, defense articles, or defense services; and provide \$46.3 million to expand the program to regions other than Eastern Europe and the Baltic states.

The House amendment contained a provision (sec. 1038) that would provide \$45.8 million for the program and limit the obligation of funds to not more than \$10.0 million until the Secretary of Defense submits a report describing the implementation of the program during fiscal year 1995.

The House recedes with an amendment that would clarify that funds may not be used under this section for the provision of international military education and training programs under chapter 5 of part II of the Foreign Assistance Act of 1961, except for the authorized activities under subsection (c). The amendment would also require the Secretary of Defense to submit a report to Congress not later than February 15, 1995 on the management structure of the military-to-military contacts program.

Acquisition and cross-servicing agreements (sec. 1317)

The House amendment included a provision (sec. 1022) that would allow the Secretary of Defense to enter into acquisition and cross-servicing agreements with the United Nations and regional organizations of which the United States is a member. The provision would also make other changes in the authority of the Secretary of Defense to enter into such agreements.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would (1) delete subsection (c) of the House provision on pricing principles; (2) expand the definition of the term "transfer" to include selling and leasing; and (3) make other changes in subchapter I of chapter 138 of title 10, United States Code, that would facilitate acquisition and cross-servicing agreements between the United States and other countries and organizations.

The conferees agree to limit the expansion of the Secretary's authority to international organizations "of which the United States is a member." If the Defense Department determines after experience with this expanded authority that expanding it further to include international organizations of which the United States is not a member would enhance the U.S. national interest, the conferees encourage the Department of Defense to submit a legislative proposal to make this change.

Permanent authority for the Department of Defense to share equitably the costs of claims under international armaments cooperative programs (sec. 1318)

The Senate bill contained a provision (sec. 823) that would extend indefinitely the authority of the Defense Department to pay its share of an international armaments cooperative program's claims in accordance with the program's cost-sharing formula or in accordance with any other equitable formula that is negotiated by the participants.

The House amendment contained no similar provision.

The House recesses.

Defense cooperation between the United States and Israel (sec. 1321)

The Senate bill contained a provision (sec. 1014) that would express the support of Congress for continued cooperation between the United States and Israel in military and technical areas.

The House amendment contained no similar provision.

The House recesses with an amendment. The conferees agree that the national interests of the United States and Israel are best served by strengthening existing mechanisms for cooperation and working toward eliminating unnecessary barriers to collaboration between the two countries.

Readiness of military forces of the Republic of Korea (sec. 1322)

The House amendment contained a provision (sec. 1060) that would express the sense of Congress and require a report on the military capabilities and readiness of South Korea's military forces.

The Senate bill contained no similar provision.

The Senate recesses with an amendment that would make several clarifying changes.

Military planning for the size and structure of a force required for a major regional contingency on the Korean peninsula (sec. 1323)

The Senate bill contained a provision (sec. 1099) that would express the sense of Congress about the relationship between the force structure identified in the Bottom-Up Review and the situation of the Korean peninsula.

The House amendment contained no similar provision.

The House recesses with an amendment that would make several clarifying changes.

Sense of the Congress concerning the North Korean nuclear weapons development program (sec. 1324)

The House amendment contained a provision (sec. 1058) that would express the sense of Congress about the North Korean nuclear weapons program.

The Senate bill contained no similar provision.

The Senate recesses with an amendment that would make several clarifying changes.

Report on the United States and Japan security relationship (sec. 1325)

The House amendment contained a provision (sec. 2854) that would require the Secretary of Defense to submit a report to Congress on the U.S. military presence in Okinawa.

The Senate bill contained no similar provision.

The Senate recesses with an amendment that would direct the Secretary of Defense to submit a report to Congress on the security relationship between the United States and Japan.

TITLE XIV-PEACE OPERATIONS AND HUMANITARIAN ASSISTANCE ACTIVITIES

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Reports on reforming multilateral peace operations (sec. 1401)

The Senate bill contained a provision (sec. 1031) that would require the Secretary of Defense to submit two reports, six months apart, to the congressional defense committees on U.S. proposals for improving U.N. management of peace operations.

The House amendment contained no similar provision.

The House recesses with an amendment that would require the reports to be submitted to Congress instead of the congressional defense committees.

Report on military readiness implications of Bosnia peacekeeping deployment (sec. 1402)

The House amendment contained a provision (sec. 1044) that would require the Secretary of Defense to submit to the congressional defense committees a report assessing the implications for U.S. military readiness of the participation of U.S. ground combat forces in peacekeeping operations in Bosnia-Herzegovina.

The Senate bill contained no similar provision.

The Senate recesses.

Report on intelligence lessons learned from Somalia (sec. 1403)

The House amendment contained a provision (sec. 1045) that would require the Secretary of Defense to submit to Congress a report on lessons learned from U.S. participation in U.N. activities in Somalia.

The Senate bill contained no similar provision.

The Senate recesses with a technical amendment that would clarify that the report is limited to intelligence matters.

Bosnia and Herzegovina (sec. 1404)

The Senate bill contained a provision (sec. 1088) that would express the sense of the Congress that the United States should work with NATO member nations and the U.N. Security Council to endorse the efforts of the contact group to bring about a peaceful settlement of the conflict in Bosnia and Herzegovina, including the following:

- (a) the preservation of an economically, politically, and militarily viable Bosnian state capable of exercising its rights under the U.N. Charter by the lifting of the arms embargo on the government of Bosnia;

(b) if the Bosnian Serbs, while the contact group's peace proposal is being considered, attack the safe areas, the partial lifting of the arms embargo and the provision of defensive weapons and equipment to the government of Bosnia to defend the safe areas; and

(c) if the Bosnian Serbs do not respond constructively to the contact group's proposal, the President shall promptly propose the multilateral lifting of the arms embargo on the government of Bosnia in the U.N. Security Council and, if the Security Council fails to pass such a resolution, the President shall within five days consult with Congress regarding unilateral termination of the arms embargo.

The House amendment contained four provisions (secs. 1401-1404) that would unilaterally terminate the U.S. arms embargo on Bosnia and authorize the drawdown of defense articles from DOD stocks, DOD defense services, and military education and training in an aggregate value not to exceed \$200.0 million, without reimbursement from the government of Bosnia and Hercegovina. U.S. military personnel providing such defense services or military education and training would not perform any duties of a combatant nature.

The conferees agree on a provision that would express the support of the Congress for the efforts of the contact group to bring about a peaceful settlement of the conflict in Bosnia based upon the contact groups's proposal. The provision would express the policy of the Congress that the United States should exercise leadership within the international community to cause the Bosnian Serb faction to accept the contact group's proposal by taking action on separate but complementary international and unilateral tracks.

The policy under the international track would state that the President should formally introduce and support a resolution in the U.N. Security Council to terminate the arms embargo on Bosnia within 14 days of the later of October 15, 1994, or ten days after this act is enacted.

On the unilateral track, if the Bosnian Serbs have not accepted the contact group's proposal and the U.N. Security Council has not lifted the arms embargo on Bosnia by the earlier of November 15, 1994, or 15 days after the President introduces the resolution in the U.N. Security Council, the provision would prohibit the use of funds to participate in, support, or assist the enforcement of the Bosnian arms embargo. The President would be able to waive this prohibition in the case of U.S. military personnel serving in NATO headquarters positions. The provision would specifically state that the prohibition on the use of funds to enforce the Bosnian arms embargo is not intended to impede enforcement of sanctions against Serbia. The provision would also require the President to submit a plan to and consult with the Congress on the manner in which the armed forces of the United States and friendly states would train the Bosnian armed forces outside the territory of Bosnian and Hercegovina; and require the President to submit a plan to and consult with the Congress regarding the unilateral termination by the United States of observance of the Bosnia arms embargo and the implications thereof.

Finally, the provision would contain an interim policy that if the Bosnian Serb faction attacks any of the U.N. designated safe areas, the President should promptly formally introduce and support a resolution in the U.N. Security Council that authorizes the selective lifting of the Bosnia arms embargo to allow the provision of defensive weapons to enable the Bosnian forces to defend the safe areas.

The conferees note that the President has sent a letter to the Chairmen and Ranking Members of the Armed Services Committees of the Senate and House of Representatives stating, in pertinent part, that, "if by October 15 the Bosnian Serbs have not accepted the Contact Group's proposal, of July 6, 1994, it would be my intention within two weeks to introduce formally and support a resolution at the United Nations Security Council to terminate the arms embargo on Bosnia and Hercegovina."

In prohibiting the use of funds to participate in the enforcement of the Bosnian arms embargo, the conferees were careful to ensure that (a) the President could waive that prohibition in the case of U.S. military personnel who occupy positions throughout several NATO headquarters, including NATO's Supreme Allied Commander and the Commander in Chief, Allied Forces Southern Europe, and (b) U.S. forces could continue to conduct operations to enforce the arms and economic embargo on Serbia.

It is important that there is a clear understanding of the conferees' intent for the funding limitation in this provision. The conferees distinguished between what is mandatory under the U.N. Security Council resolution and what is voluntary. It is mandatory, for example, that the United States enforce the embargo by using its Customs agents and other law enforcement powers to stop the export of defense articles and services from the United States bound for Bosnia. It is voluntary, on the other hand, for any state to join the naval and air "picket line" that enforces the embargo in the waters of the Adriatic Sea and the air over the Balkans, for example, or to provide assistance or support to other states to help them do so. The conferees direct that the United States withdraw from all voluntary aspects of the enforcement of the embargo, but from no mandatory aspects when the relevant clauses of this provision are triggered. All voluntary participation must end for there to be good faith compliance with the stipulations of this statute.

The conferees intend this provision to encourage our NATO allies and other members of the U.N. Security Council to lift the arms embargo on Bosnia and to pressure the Bosnian Serb faction to accept the contact group's proposal.

Overseas humanitarian, disaster, and civic aid (sec. 1411)

The House amendment contained a provision (sec. 1023) that would establish a single funding account for overseas humanitarian, disaster, and civic aid (OHDACA) programs and limit the obligation of one-half of the funds in the account until regulations and a report required by section 1504 of the National Defense Authorization Act for Fiscal Year 1994 have been prescribed and submitted. The House provisions would authorize \$60.0 million for the OHDACA account for fiscal year 1995.

The Senate bill contained no similar provision, but would authorize \$71.9 million for humanitarian assistance for fiscal year 1995.

The Senate recedes with an amendment that would delete the reference to the report, which has now been submitted, and authorize \$86.0 million for the OHDACA account in fiscal year 1995, of which \$20.0 million would be reserved for humanitarian landmine clearing activities.

Foreign disaster relief activities (sec. 1412)

The Senate bill contained a provision (sec. 1016) that would provide a statutory basis for foreign disaster relief activities by authorizing the President to conduct such activities; require a Presidential determination that such activities are in the national interest of the United States and necessary to save lives; and require prompt notice to Congress concerning relevant matters. The provision would authorize \$46.3 million for fiscal year 1995.

The House amendment contained a provision (sec. 1024) that would limit the Defense Emergency Response Fund to disasters occurring in the United States; require the Secretary of Defense to designate a foreign disaster relief activity to be a national contingency operation; and provide for the overseas humanitarian, disaster, and civic aid (OHDACA) account to be used for organizing general policies and programs for foreign disaster relief activities, but not for conducting the actual disaster relief activities.

The House recedes with an amendment that would delete the specific authorization of funds and provide that the OHDACA account would fund the development of general policies and programs for foreign disaster relief activities.

Humanitarian assistance program for clearing landmines (sec. 1413)

The Senate bill contained a provision (sec. 354) that would authorize not more than \$10.0 million of operation and maintenance funds for the Secretary of Defense to carry out a humanitarian program for clearing landmines.

The House amendment contained two provisions (secs. 306 and 1025) that would address this matter. Section 306 would authorize not more than \$25.0 million of operation and maintenance funds to support the clearing of landmines for humanitarian purposes. Section 1025 would direct the Secretary of Defense to carry out a program to assist other nations in clearing landmines.

The House recedes with an amendment that would: (1) authorize not more than \$20.0 million for landmine clearing activities from the funds authorized for DOD overseas humanitarian, disaster, and civic aid programs; (2) allow the funds to be used for contributions to non-governmental organizations that have landmine clearing experience; (3) allow the funds to be used to transfer or lease equipment and technology to a foreign government participating in a landmine clearing program; and (4) require the Secretary of Defense to notify Congress of any activity carried out under this authority.

TITLE XV-ARMS CONTROL MATTERS

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Counterproliferation (secs. 1501-1507)

The budget request included \$30.3 million in the defense-wide operation and maintenance account for counterproliferation.

The Senate bill contained provisions that would recommend extension and revision of authorities contained in section 1505 of the National Defense Authorization Act for Fiscal Year 1993 (sec. 1021); continue the Joint Review Committee established by section 1605 of the National Defense Authorization Act for Fiscal Year 1994 through September 1, 1996, change the name of the Committee, modify the membership of the Committee, and narrow the focus of the group (sec. 1022); require a report to the congressional defense committees on the Committee's findings (sec. 1023); authorize \$13.5 million in defense-wide research and development and operation and maintenance accounts for counterproliferation activities, direct the use of \$15.0 million by the Advanced Research Projects Agency for two counterproliferation technology projects, and authorize the transfer of up to \$100.0 million for counterproliferation technology projects (sec. 1024); and, restrict the use of travel funds by the Assistant Secretary of Defense for International Security Policy, pending receipt of a report (sec. 1025).

The House amendment contained provisions that would recommend extension and revision of authorities contained in section 1505 of the National Defense Authorization Act for Fiscal Year 1993 (sec. 1211); require studies related to counterproliferation policy (sec. 1212); provide \$30.1 million of the requested funding (sec. 1213); limit the obligation of funds for counterproliferation studies pending receipt of a report (sec. 1214).

The conferees agree to a series of provisions on counterproliferation.

EXTENSION AND REVISION OF EXISTING AUTHORITIES

Section 1501 of this act would revise and extend the authorities in section 1505 of the National Defense Authorization Act for Fiscal Year 1993 through Fiscal Year 1995. The conference agreement would provide up to \$25.0 million in fiscal year 1994 and \$20.0 million in fiscal year 1995 to support international nonproliferation activities, including the On-Site Inspection Agency's (OSIA) support to the United Nations Special Commission on Iraq (UNSCOM). Assistance to international organizations would not include the payment of administrative costs of U.S. participation in international organizations.

The conferees have concerns regarding the Department's request to support chemical weapons and ballistic missile dismantlement, nuclear materials control and removal, and the destruction of weapons of mass destruction and their delivery systems in areas outside the former Soviet Union, such as the Middle East, Brazil, Argentina, and South Africa. The conferees direct the Secretary of Defense to provide to the congressional defense and foreign affairs committees, 30 days in advance of any U.S. commitment to support these activities, a report on the activities which the Department seeks to support; the specific support to be provided; the cost of providing such support; potential future funding for this support; the extent to which the United States is obligated to provide such support; and the national security objective for providing the support.

JOINT REVIEW COMMITTEE AND ANNUAL REPORT

The conferees endorse the Senate provision that would continue the Joint Committee for the Review of Counterproliferation Programs through September 1, 1996; change the membership of the committee; and sharpen its focus, as described in the Senate report (S. Rept. 103-282). Additionally, the conferees would require the Joint Committee to submit reports on its findings to Congress in both unclassified and classified form no later than May 1, 1995 and May 1, 1996.

The conferees emphasize that the intent of reducing the membership and narrowing the focus of the Committee is to enable the Defense Department to prioritize program and budget submissions so that they address the priority military needs identified in the May 1, 1994 report to Congress on nonproliferation and counterproliferation activities and programs. The conferees recognize the role of other government agencies and departments in nonproliferation activities and emphasize that the role of the Joint Review Committee is to facilitate the coordination of counterproliferation and nonproliferation activities.

FUNDING FOR COUNTERPROLIFERATION PROGRAMS

The conferees agree to authorize \$16.5 million in defense-wide research and development accounts for counterproliferation activities identified by the Joint Review Committee as defense technology gaps. The conferees recommend that funds be made available for counterproliferation projects identified in the May 1994 report on nonproliferation and counterproliferation activities and programs, including the following: (1) a joint demonstration program for the detection, characterization, and defeat of deep and/or hardened underground structures. The conferees also recommend that technology programs at the Defense Nuclear Agency (DNA), the Advanced Research Projects Agency, the service laboratories, the national weapons laboratories, the intelligence community, and the National Test Facility be fully leveraged for this effort; and (2) field demonstrations for operational users utilizing promising and existing technologies like biological detectors and alarms, improved decontamination equipment and solutions, and improved chemical gear and masks. A report shall be submitted to the congressional defense committees within 90 days of enactment of this act identifying the priorities for which these funds would be utilized.

The conferees are concerned that the Defense Department's efforts in this field need more focus and coordination. Therefore, they direct the Department to develop a plan to promote and improve the education of military personnel on proliferation, nonproliferation, and counterproliferation issues. To initiate this program, the conferees recommend \$2.0 million in the defense-wide operation and maintenance account. This program would be managed by the Chairman

of the Joint Chiefs of Staff. The military services' professional military education schools and the National Defense University would establish or continue their current mission of determining the implications of weapons of mass destruction (WMD) for doctrine and develop recommended solutions to WMD warfighting requirements. Of this amount, not more than \$500,000 would be available for the National Defense University counterproliferation program to conduct a broad range of policy research related to WMD proliferation. Additionally, the conferees endorse the Senate recommendation to add \$500,000 to the research and development, defense agencies account for technical studies, support, and analysis in program element 605104D to be available to the Joint Chiefs of Staff for the unified commands' preparations to meet power projection challenges.

The conferees are increasingly concerned with the growing problem of criminal activity in Eastern Europe, the Baltic countries, and the former Soviet Union. The possible theft of nuclear materials by these organized crime groups makes it imperative that the United States act to prevent the proliferation of illegally acquired nuclear weapons, components, and related materials, and in particular, to prevent these materials from entering the United States. To fulfill this urgent requirement, the conferees agree that funds authorized for the Advanced Research Projects Agency for counterproliferation technology projects shall be available for two projects: (1) \$5.0 million for a program to detect, locate, and disable weapons of mass destruction hidden by terrorists or hostile states in a confined area outside the United States. To the extent possible, the conferees recommend that the existing resources of the national weapons laboratories be utilized; and (2) \$10.0 million for a joint Department of Defense-Federal Bureau of Investigation (FBI) law enforcement training program. The purpose of this program would be to expand and improve U.S. efforts to deter the possible proliferation of weapons of mass destruction by crime organizations in Eastern Europe, the Baltic countries, and states of the former Soviet Union.

Lastly, the conferees agree to authorize the Department to transfer up to \$100.0 million of funds available in the research and development, defense agencies account for counterproliferation programs, projects, or activities identified by the Joint Review Committee as areas for progress.

RESTRICTIONS AND LIMITATIONS ON FUNDING

The conferees recommend a number of restrictions and limitations on the obligation of funds.

Until the Director of the Federal Bureau of Investigation and the Director of the Advanced Research Projects Agency jointly submit a memorandum of understanding that outlines the program plan and mechanisms for execution of the training program, only \$1.0 million shall be available to ARPA and the FBI for the preparation of two reports that: (1) identify the nature and extent of the threat posed to the United States by the possible proliferation and acquisition of weapons of mass destruction by organized crime groups in Eastern Europe, the Baltic countries, and the former Soviet Union, and (2) assess the actions that the United States should take to assist law enforcement agencies in these countries to prevent and deter the theft of nuclear weapons material and components and other weapons of mass destruction. This report should include information on the costs of personnel, support equipment, and training, the time required to commence the program, and future funding required for the program.

Pending receipt of a report on the proliferation of military satellites required by section 1363 of the National Defense Authorization Act for Fiscal Year 1993, no funds available to the Department for travel expenses may be expended for travel by the Assistant Secretary of Defense for International Security Policy.

Further, the conferees would limit the obligation of \$1.0 million of the funds authorized in section 1504(c) for counterproliferation studies until the report on the effect of increased use of dual-use technologies on the ability to control exports required by section 1422 of the National Defense Authorization Act for Fiscal Year 1994 is submitted to the congressional defense committees.

Finally, the conferees agree that \$4.0 million of the funds authorized in section 1504 for counterproliferation activities shall not be available for obligation by the Department until the congressional defense and intelligence committees receive the following: (1) a report from the intelligence and communications architectures (INCA) project office assessing the technical feasibility of a proposed classified counterproliferation database system; and (2) a DOD reprogramming request for this database system that is matched dollar for dollar by a reprogramming request within the national foreign intelligence program (NFIP) by the Director of Central Intelligence. Further details on this program are contained in the research and development, defense agencies portion of the statement of the managers under the C3I intelligence program.

Non-Proliferation Treaty (NPT) review conference (sec. 1508)

The House amendment contained a provision (sec. 1054) that would express the sense of the Congress that the President seek an indefinite and unconditional extension of the Nonproliferation Treaty in the 1995 review conference.

The Senate bill contained no similar provision.

The Senate recedes with an amendment.

Negotiations on limiting nuclear weapons testing (sec. 1509)

The House amendment included a provision (sec. 1059) that would urge the Conference on Disarmament to make all possible progress toward a comprehensive test ban treaty and would discourage the nuclear powers from conducting nuclear weapons tests prior to the conclusion of a comprehensive test ban treaty.

The Senate bill did not contain a similar provision.

The Senate recedes with an amendment.

Arms control compliance

The budget request contained \$271.4 million for arms control-related programs.

The Senate bill would authorize \$251.1 million for these programs.

The House amendment would authorize \$271.4 million.

The conferees recommend several adjustments to the requested amount based on consultations with officials from the Office of the Secretary of Defense, the military services, and the On-Site Inspection Agency (OSIA). The adjustments reflect delays in the anticipated date of entry into force of the Strategic Arms Reduction Treaty (START), the Chemical Weapons Convention (CWC), the Bilateral Destruction Agreement (BDA) between the United States and Russia, and the Open Skies Treaty (OST). The adjustments result in an overall reduction of \$20.0 million for arms control compliance activities. The reductions are to be made in the following manner: \$7.0 million in the O&M account for OSIA, and \$6.0 million to the Army, \$3.0 million to the Navy, and \$4.0 million to the Air Force O&M accounts.

The statement of the managers accompanying the conference report on the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103-357) directed the Department of Defense to notify the congressional defense committees in writing 30 days prior to U.S. agreement to any recommendations in the various arms control consultative and verification commissions that would result in a technical change to a treaty that would affect inspection and monitoring provisions or that would increase U.S. costs of implementation. The Department has not complied with this request. The conferees direct the Department to comply with this request without delay. Additionally, the

conferees direct the Secretary of Defense to provide a report to the congressional defense committees by February 28, 1995 on (1) all memoranda of understandings and political agreements or statements agreed with parties with whom the United States has a bilateral or multilateral arms control agreement; (2) a detailed accounting of additional expenses incurred as a result of these agreements; and (3) projected costs of the agreements.

FISCAL YEAR 1995 DOD ARMS CONTROL BUDGET

[Dollars in millions]

Account and Program	Request	Recomm	Rec Auth
WPN Arms control compliance	7.944	0.000	7.944
MPAF MMII/MMIII mods	4.728	0.000	4.728
OPAF Spares & repairs	2.496	0.000	2.496
OPA Arms control compliance	3.510	0.000	3.510
RDT&E, AF Arms control implementation	6.456	0.000	6.456
RDT&E, DA Ver tech dem, DNA (603711)	41.068	0.000	41.068
O&M, Army	39.237	-6.000	33.237
O&M, Navy	34.061	-3.000	31.061
O&M, Air Force	32.010	-4.000	28.010
O&M, DA OSIA	99.947	-7.000	92.947
Total	271.457	-20.000	251.457

TITLE XVI-RESERVE OFFICER PERSONNEL MANAGEMENT ACT (ROPMA)

Reserve Officer Personnel Management Act (secs. 1601-1693)

The House amendment included provisions (sec. 1301-1393) that collectively constitute the Reserve Officer Personnel Management Act (ROPMA).

The Senate bill contained no similar provisions.

The Senate recedes with an amendment that would delay the effective date of ROPMA until October 1, 1996. The conferees note the detailed legislative history of ROPMA contained in the House report (H. Rept. 103-84). The conferees agree that the Senate will consider perfecting legislation new year, including accelerating the effective date of ROPMA.

DIVISION B-MILITARY CONSTRUCTION AUTHORIZATIONS

OVERVIEW

The budget request for fiscal year 1995 contained \$8,322,623,000 for military construction and family housing.

The Senate bill would authorize \$8,823,936,000 for military construction and family housing.

The House amendment would provide \$8,835,174,000 for this purpose.

The conferees recommend authorization of \$8,837,019,000 for military construction and family housing in fiscal year 1995.

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TITLE XXI-ARMY

FISCAL YEAR 1995

The Senate bill would authorize \$1,731,286,000 for Army military construction and family housing programs for fiscal year 1995.

The House amendment would authorize \$2,139,036,000 for this purpose.

The conferees recommend authorization of \$1,736,686,000 for Army military construction and family housing for fiscal year 1995.

Authorization of military construction project at Fort Bragg, North Carolina, for which funds have been appropriated (sec. 2105)

The House amendment contained a provision (sec. 2105) that would authorize the Secretary of the Army, with amounts previously appropriated, to construct a library at Fort Bragg, North Carolina in the total amount of \$5.5 million.

The Senate bill contained no similar provision.

The Senate recesses.

Relocation of Army family housing units from Fort Hunter-Liggett, California to Fort Stewart, Georgia (sec. 2106)

The Senate bill contained a provision (sec. 2105) that would amend the Military Construction Authorization Act for Fiscal Year 1992 (Division B of Public Law 102-190) to relocate a portion of the family housing units that had been authorized for construction at Fort Hunter-Liggett, California, to Fort Stewart, Georgia. The provision, which does not alter the amount of the original authorization, reflects basing changes that have occurred since the original authorization.

The House amendment contained no similar provision.

The House recesses.

Highway safety at Hawthorne Army Ammunition Plant, Nevada (sec. 2107)

The Senate bill contained a provision (sec. 2106) that would direct the Secretary of the Army to study traffic safety with respect to the rail and truck crossing on the highway at the Hawthorne Army Ammunition Plant. The Secretary's study would evaluate the feasibility of constructing a vehicle bridge over the rail and truck crossing, and determine if such a project qualifies as a military construction project or as a defense access road construction project as defined in section 210 of title 23, United States Code.

The House amendment contained no similar provision.

The House recesses.

Replacement of destroyed facility, Fort Gordon, Georgia

The conferees note that the 63d Signal Battalion vehicle maintenance facility at Fort Gordon, Georgia was destroyed by fire on January 16, 1994. The estimated replacement cost of the facility is \$3.5 million. The conferees direct the Secretary of the Army to reprogram funds for this replacement project using authority in section 2854 of title 10, United States Code.

Authorization of projects for United States Forces, Korea

The conferees agree to authorize for appropriation \$34.6 million for construction of barracks at two Army installations, Camp Casey and Camp Red Cloud, located in South Korea. Although these projects were not requested by the Administration, compelling testimony before the Armed Services Committees of the Senate and House of Representatives indicated that living conditions for the soldiers stationed near the Demilitarized Zone in Korea were substandard. Many of the soldiers assigned to these installations are housed in overcrowded, substandard quonset huts and H-relocatable buildings. These substandard facilities are deteriorated, undersized, energy inefficient, and structurally unsound.

The conferees agree that despite substantial contributions by the Republic of Korea toward upgrading U.S.-occupied military facilities, the Congress has an obligation to provide for the welfare of our armed forces. The authorization of these projects will enhance the moral and readiness of U.S. armed forces stationed in South Korea.

Management of military family housing, Hawaii

The conferees note the Secretary of Defense's decision to decentralize the Hawaii military family housing operation and maintenance, and management functions and accounts. The conferees understand that all funding for new construction, improvements, and operations, including furnishings management and maintenance, will now be the responsibility of each of the military services. The Department of the Army will continue to provide consolidated off-post housing referral services. Other functions such as installation master planning and the provision of handicapped-accessible housing will return to each service along with the management of its family housing.

To facilitate this decentralization, the conferees recommend the transfer and redistribution of \$107.5 million from the Army's family housing account to the family housing accounts of the Navy and Air Force based on an allocation agreed upon by the military services.

TITLE XXII-NAVY

FISCAL YEAR 1995

The Senate bill would authorize \$1,507,349,000 for Navy military construction and family housing programs for fiscal year 1995.

The House amendment would authorize \$1,569,850,000 for this purpose.

The conferees recommend authorization of \$1,591,824,000 for Navy military construction and family housing for fiscal year 1995.

Restoration of authority to carry out military construction project at Naval Supply Center, Pensacola, Florida (sec. 2205)

The House amendment contained a provision (sec. 2205) that would authorize the Secretary of the Navy to construct a cold storage facility at the Naval Supply Center, Pensacola, Florida and any other construction associated with contract N62467-86-C-0421 which was entered into before the termination of authority, notwithstanding section 2205(b)(1)(D)(ii) of the Military Construction Authorization Act for Fiscal Year 1994 (Division B of Public Law 103-160).

The Senate bill contained a similar provision (sec. 2205).

The Senate recedes.

Design activities for upgrade of Mayport Naval Station, Florida (sec. 2206)

The House amendment contained a provision (sec. 2206) that would require, at the conclusion of a facilities study, the Secretary of the Navy to begin design activities for military construction projects to provide Mayport Naval Station, Florida with the capability to serve as a homeport for a nuclear-powered aircraft carrier.

The Senate bill contained a similar provision (sec. 2207).

The Senate recedes.

Relocation of Pascagoula Coast Guard Station, Mississippi (sec. 2207)

The Senate bill contained a provision (sec. 2206) that would authorize the Secretary of the Navy to enter into an agreement with the Secretary of Transportation to allow the U.S. Coast Guard to relocate the Pascagoula Coast Guard facilities to the Pascagoula Naval Station.

The House amendment contained no similar provision.

The House recedes with an amendment that would prohibit: (1) the Coast Guard from incurring any cost in the relocation to the Pascagoula Naval Station; and (2) the Pascagoula Coast Guard from relocating if the relocation of the Coast Guard facility would interfere with the performance of the mission of the Navy or be incompatible with Coast Guard operations in the Pascagoula area.

Water processing system upgrade, Construction Battalion Center Port Hueneme, California

The conferees understand that the Department of the Navy and the local water authorities in the Oxnard, California area, represented by the Sub-Regional Water District (SRWD), continue to negotiate the net regional benefits of managed water consumption. Therefore, the conferees intend that the authorization to construct a water processing system upgrade contained in this act should be construed to include other options, as may be negotiated, that provide the same potable water services included in the original project. These options may include, but are not limited to, assigning a portion, up to a maximum of \$1.7 million, of the authorized funds to the SRWD for the purpose of construction of a regional reverse osmosis water treatment plant and provision of water to the Navy at favorable rates in lieu of construction of the plant by the Navy.

Defense access road, Blount Island, Florida

The House amendment would authorize \$10.0 million for the construction of a defense access road in Blount Island, Florida.

The Senate bill did not provide funds for this project.

The House recedes.

The conferees direct the Secretary of the Navy to study the requirement for the road project and work with the Military Traffic Management Command to determine if the project qualifies for the defense access road (DAR) program as described in section 210 of title 23, United States Code. If the project qualifies for the DAR program, the Navy is encouraged to request authorization of appropriation for the road project in the budget request for fiscal year 1996.

Power plant upgrade, Public Works Center, Guam

The conferees understand that the Department of the Navy and the Guam Power Authority have shared the operating cost and use of power plants serving the Guam island wide power system (IWPS) as agreed to in the Power Pool Agreement of 1972. The Navy is seeking to terminate the 1972 Agreement and release all operating responsibilities of the power systems. As stated in the Agreement, the Navy must upgrade the Piti Power Plant before it can withdraw from the 1972 Agreement.

The House amendment would authorize \$21.6 million to upgrade the Piti Power Plant.

The Senate bill did not include funds for this project.

The House recesses.

The conferees note the Navy's desire to terminate the 1972 Agreement and encourage the Navy to request funds for the power plant upgrade in the fiscal year 1996 budget request.

TITLE XXIII-AIR FORCE

FISCAL YEAR 1995

The Senate bill would authorize \$1,594,836,000 for Air Force military construction and family housing programs for fiscal year 1995.

The House amendment would authorize \$1,548,040,000 for this purpose.

The conferees recommend authorization of \$1,601,602,000 for Air Force military construction and family housing for fiscal year 1995.

Authorization of previously appropriated military construction projects at Tyndall Air Force Base, Florida (sec. 2305)

The Senate bill contained a provision (sec. 2305) that would amend section 2301 of the Military Construction Authorization Act for Fiscal Year 1994 (Division B of Public Law 103-160) to authorize \$3.2 million for an addition to a base supply and equipment warehouse and \$2.4 million for construction of a security policy operations facility at Tyndall Air Force Base, Florida.

The House amendment contained a similar provision (sec. 2306).

The House recesses.

Revision of authorized family housing project, Tyndall Air Force Base, Florida (sec. 2306)

The Senate bill contained a provision (sec. 2306) that would amend section 2302(a) of the Military Construction Authorization Act for Fiscal Year 1994 (Division B of Public Law 103-160) to convert the Tyndall Air Force Base, Florida infrastructure project into a 45-unit family housing project.

The House amendment contained a similar provision (sec. 2305).

The House recesses.

Modification of Air Force Plant No. 3, Tulsa, Oklahoma (sec. 2307)

The House amendment contained a provision (sec. 2307) that would authorize the Secretary of the Air Force to use up to \$10.0 million of available funds for repair and maintenance to modify Air Force Plant No. 3 located in Tulsa, Oklahoma

The Senate bill contained no similar provision.

The Senate recesses with an amendment that would require the Secretary of the Air Force to submit a report to the congressional defense committees certifying the modifications are consistent with the future national security mission of the facility and wait 30 days before funds for modifications to the plant are obligated.

Repeal of limitation on the order of retirement of Minuteman II missiles (sec. 2308)

The House amendment contained a provision (sec. 2308) that would repeal section 2307 of the Military Construction Authorization Act for Fiscal Year 1991 (Division B of Public Law 101-510). The section requires the Secretary of the Air Force to provide that the installation which receives the last operational upgrade for the Minuteman II missile systems be the installation from which the last Minuteman II missile is retired.

The Senate bill contained no similar provision.

The Senate recesses.

Emergency construction

The conferees understand that recent flooding in middle Georgia has caused severe damage to facilities at Robins Air Force Base, Georgia. The base is seeking additional operation and maintenance funds from Air Force Headquarters to repair much of the flood damage. However, the hazardous waste disposal processing center was inundated with flood water and will require replacement.

The conferees are concerned that the flood damage to the hazardous material facility may cause future environmental and health safety hazards and urge the Secretary of the Air Force to consider constructing a \$4.1 million replacement facility using emergency construction authority in section 2803 of title 10, United States Code.

Certain construction projects funded through operation and maintenance accounts

The conferees direct, within funds authorized for real property maintenance and repair, the Department of the Air Force to proceed with the following repair projects in fiscal year 1995: (1) \$4.5 million, repair parking apron, Minot Air Force Base, North Dakota; (2) \$7.6 million, repair depot maintenance hangar (phase I), Kelly Air Force Base, Texas; and (3) \$1.7 million, upgrade electrical service to industrial area, McClellan Air Force Base, California.

TITLE XXIV-DEFENSE AGENCIES

FISCAL YEAR 1995

The Senate bill would authorize \$3,252,058,000 for Defense Agencies military construction and family housing programs for fiscal year 1995.

The House amendment would authorize \$2,999,138,000 for this purpose.

The conferees recommend authorization of \$3,213,608,000 for Defense Agencies military construction and family housing for fiscal year 1995.

Energy conservation projects (sec. 2404)

The Senate bill contained a provision (sec. 2404) that would authorize the Secretary of Defense to carry out energy conservation projects using funds authorized in section 2405(a)(8) of this act.

The House amendment contained a similar provision (sec. 2404).

The House recesses.

Community impact assistance with regard to Naval Weapons Station, Charleston, South Carolina (sec. 2406)

The House amendment contained a provision (sec. 2406) that would, within amounts pursuant to the authorization of appropriations in section 2405(a) of the House bill, authorize the Secretary of the Navy to transfer \$3.0 million to the South Carolina Department of Highways and Public Transportation to be used for improvements to North Rhett Avenue, Charleston, South Carolina. This would help alleviate the adverse effects of the closure of Charleston Naval Station and Charleston Naval Shipyard, South Carolina, on the surrounding communities.

The Senate bill contained a similar provision (sec. 2407).

The Senate recedes with a technical amendment.

Planning and design for construction in support of consolidation of operations of the Defense Finance and Accounting Service (sec. 2407)

The Senate bill contained a provision (sec. 2408) that would direct that \$6.0 million of funds authorized for appropriation in section 2405(a)(7) of the Senate bill be available for planning and design activities to support the consolidation of operations of the Defense Finance and Accounting Service.

The House amendment contained no similar provision.

The House recedes.

Modification of authority to carry out fiscal year 1993 project (sec. 2408)

The Senate bill contained a provision (sec. 2406) that would terminate the fiscal year 1993 authorization for construction of a \$390.0 million replacement hospital at Fitzsimons Army Medical Center in Aurora, Colorado.

The House amendment contained no similar provision.

The House recedes with an amendment that would reduce the fiscal year 1993 authorization to \$225.0 million. The provision would require the Secretary of Defense, if the fiscal year 1996 budget request includes funds for the construction of a replacement facility at Fitzsimons Army Medical Center, to submit, no later than March 15, 1995, a report to the congressional defense committees that certifies that a replacement facility is needed to meet military health care requirements. The report shall address the following:

- (1) the cost-effectiveness of building a replacement facility;
- (2) the Department of Defense policy on construction of new military medical facilities where the majority of the beneficiary population is military retirees and their dependents;
- (3) the relative percentage of active duty personnel, dependents of active duty personnel, military retirees, and dependents of military retirees that would be served in the catchment area and in the region 8 area;
- (4) the availability and cost of medical care from civilian medical facilities in the catchment area for the beneficiary population;
- (5) the occupancy rates of civilian medical facilities in the catchment area;
- (6) the level of care provided by civilian hospitals in the catchment area;
- (7) the relative cost and ability of other Department of Defense medical facilities or civilian medical facilities in region 8 to provide the medical care for patients in region 8 currently provided by Fitzsimons Army Medical Center;
- (8) the projected occupancy rates at Fitzsimons Army Medical Center with and without patients from outside the catchment area and the region 8 area; and
- (9) the cost-effectiveness and contribution of the graduate medical education program at Fitzsimons Army Medical Center to meeting the Army's requirements for training military medical personnel.

Chemical demilitarization program

The conferees agree to transfer the authorization for military construction associated with the chemical demilitarization program from the Department of the Army account to a Defense-Wide account, with the Army continuing to act as executive agent for the program. The conferees agree to an authorization of appropriation for phase I of construction for two chemical demilitarization facilities located at Pine Bluff Arsenal, Arkansas and Umatilla Army Depot, Oregon. The conferees expect the remainder of the funds necessary to complete these projects to be requested in the fiscal year 1996 budget in the mandated Defense-Wide account.

As executive agent for the chemical demilitarization program, the Army notified the congressional defense committees of the need to include funding for carbon filtration systems for four chemical demilitarization facilities. The conferees agree to authorize \$4.0 million for Anniston Army Depot, Alabama and \$5.0 million for Tooele Army Depot for these systems. The conferees direct the Department to request funds for the two additional carbon filtration systems for Pine Bluff Arsenal, Arkansas and Umatilla Army Depot, Oregon in the fiscal year 1996 budget request.

TITLE XXV-NATO

FISCAL YEAR 1995

The Senate bill would authorize \$219.0 million for the U.S. contribution to the NATO Infrastructure program for fiscal year 1995.

The House amendment would authorize \$119.0 million for this purpose.

The conferees recommend authorization of \$119.0 million for the U.S. contribution to the NATO Infrastructure program.

This reduction is made without prejudice. The conferees acknowledge the May 1993 NATO report on the "Renewal of the Infrastructure Program." The report brings the infrastructure program in line with the new NATO strategic concept and reduces annual infrastructure funding levels by half from pre-1991 levels. The conferees reduce this authorization in order to meet other priority overseas infrastructure requirements, including quality of life facilities near the Demilitarized Zone in South Korea.

TITLE XXVI-GUARD AND RESERVE

FISCAL YEAR 1995

The Senate bill would authorize \$519,380,000 for military construction and land acquisition for fiscal year 1995 for the National Guard and reserve components.

The House amendment would authorize \$460,110,000 for this purpose.

The conferees recommend authorization of \$574,299,000 for military construction and land acquisition for fiscal year 1995. This authorization would be distributed as follows:

Army National Guard	\$188,062,000
Air National Guard	249,053,000
Army Reserve	57,370,000
Naval/Marine Corps Reserve	22,748,000
Air Force Reserve	57,066,000

Prohibition on use of funds for unauthorized Guard and reserve projects (sec. 2602)

The House amendment contained a provision (sec. 2602) that would prohibit the Guard and reserve components from using military construction funds for unauthorized Guard and reserve projects.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would provide for certain exceptions to the prohibition. The prohibition would not apply with respect to Guard and reserve funds for:

- (1) unspecified planning and design and for unspecified minor construction;
 - (2) projects specifically authorized by a law enacted after the date of the enactment of this act;
 - (3) projects designated as emergency construction;
 - (4) projects designated as contingency construction;
 - (5) projects required to carry out an environmental response action;
 - (6) projects required to repair, restore, or replace damaged or destroyed facilities;
- and
- (7) projects specified in past statements of the managers of conference committees to accompany any acts authorizing military construction projects.

Authorization of projects for which funds have been appropriated (sec. 2603)

The House amendment included a provision (sec. 2603) that would amend section 2601 of the Military Construction Authorization Act for Fiscal Year 1994 (Division B of Public Law 103-160) to increase the authorization of the Army National Guard and the Naval/Marine Corps Reserve accounts.

The Senate bill contained a similar provision (sec. 2602).

The Senate recedes with an amendment that would authorize additional Army National Guard military construction projects, including:

Fort Irwin, CA-maintenance covers	\$1,265,000
Moloki, HI-armory	1,050,000
Oaho, HI-add to/alter armory	4,300,000
Tupelo, MS-Army aviation support facility	3,210,000
Las Cruces, NM-Army aviation support facility	1,014,000
Salem, OR-aviation taxiway repair	3,183,000

State National Guard Headquarters, Fort Dix, New Jersey (sec. 2604)

The House amendment contained a provision (sec. 2604) that would authorize, pursuant to the authorization of appropriations in section 2601(1)(A) of the Military Construction Authorization Act of Fiscal Year 1993 (Division B of Public Law 102-484), the New Jersey National Guard to renovate, alter, and add to an existing facility at Fort Dix, New Jersey to accommodate a consolidated New Jersey National Guard headquarters.

The Senate bill contained no similar provision.

The Senate recedes.

Colorado state area command armory, Englewood, Colorado (sec. 2605)

The conferees agree to a provision that would allow the Secretary of Defense to consider the cost of market value of the buildings and improvements contributed by the State of Colorado to the Colorado National Guard in computing the amount of the federal contribution for construction of an armory in Englewood, Colorado.

Miscellaneous report requirements

The House report (H. Rept. 103-499) and the Senate report (S. Rept. 103-282) discussed military construction items of special interest. The conferees endorse the discussions in both reports and, unless modifications to those reports are contained in this statement of the managers, the positions and requirements contained in the House and Senate reports on the fiscal year 1995 military construction authorization acts are agreed to by the conferees.

General reduction

The conferees agree to a general reduction of \$23.5 million in the authorization of appropriation for each of the Army, Navy, and Air Force military construction accounts. The general reductions are to be offset by savings from favorable bids, reduction in overhead costs, cancellation of projects due to force structure changes, and cancellation of projects due to the 1995 base realignment and closure decisions. The general reductions shall not cancel any military construction project authorized by this act.

Planning and design authorizations

The conferees direct that, within amounts authorized for the Army, Army National Guard, Air National Guard, and Air Force Reserve facility planning and design accounts, the services proceed with design activities for the following projects:

Army:

Fort Benning, GA, consolidated maintenance facility	\$1,000,000
Tobyhanna Army Depot, PA, industrial operations facility	1,200,000

Army National Guard:

Camp Blanding, FL, water system upgrade	400,000
Camp Shelby, MS, multi-purpose range complex	1,200,000
Nashville, TN, state area command facility	800,000

Air National Guard:

Massachusetts Military Reservation, MA, installation restoration facility	1,000,000
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Air Force Reserve:

Luke AFB, AZ, squadron operations facility	266,000
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Unspecified minor construction

The conferees direct, within funds authorized for unspecified minor construction for the Department of the Air Force and the Air National Guard, the services to proceed with the following minor military construction projects in fiscal year 1995: (1) \$900,000 to alter the mission equipment facility at Moody Air Force Base, Georgia; and (2) \$900,000 for an addition to the communications facility at McEntire Air National Guard Base, South Carolina.

Base maintenance and repair

The conferees are concerned with the backlog of maintenance and repair of existing facilities on military bases. During hearings before the Committees on Armed Services of the Senate

and House of Representatives, witnesses from the military services testified that the backlog of maintenance and repair is continuing to grow at a rapid pace. For example, an Army witness testified that, at the start of fiscal year 1994, the backlog in maintenance and repair was \$2.7 billion and is projected to grow to \$4.6 billion by the end of fiscal year 1995.

The conferees understand that this situation is not unique to the Army and that this backlog will continue to grow as facilities age and the funding level for maintenance and repair continues at a steady state.

While eliminating the backlog will require many years, the conferees urge the military services to establish an appropriate level of funding in their future programs to significantly reduce the backlog.

The budget request for fiscal year 1995 included \$4.1 billion for real property maintenance and repair. The conferees agree to increase the real property maintenance and repair accounts for the military services by the following amounts: \$30.0 million for the Army; \$25.0 million for the Navy; and \$20.0 million for the Air Force.

TITLE XXVIII-GENERAL PROVISIONS

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Limitation of repair of existing facilities (sec. 2801)

The conferees are concerned that major repairs to facilities, funded through operation and maintenance accounts, are conducted without the oversight of the service secretaries or the Committees on Armed Services of the Senate and House of Representatives. The conferees believe improved oversight of the major repairs is required, but do not want to impose additional reporting requirements.

The conferees agree to a provision that would require the service secretary concerned to approve, in advance, any repair project with a total cost in excess of \$5.0 million. In determining the total cost of the repair project, the secretary shall include all phases of a multi-year repair project. The secretary shall also consider whether future plans, cost effectiveness, and the use of operation and maintenance funds are appropriate. The conferees note that this provision would not constrain the secretary's flexibility to proceed with those projects requiring urgent repair.

Clarification of requirement for notification of Congress of improvements in family housing units (sec. 2801)

The Senate bill included a provision (sec. 2801) that would clarify the notification requirements for improvements to military family housing units by requiring congressional notification for only those family housing improvements exceeding \$50,000 per unit not previously included in the annual budget justification data.

The House amendment contained no similar provision.

The House recedes.

Limited partnerships for Navy housing (sec. 2803)

The House amendment contained a provision (sec. 2802) that would amend chapter 649 of title 10, United States Code, to authorize the Department of the Navy to invest in limited partnerships to develop privately-owned family housing units near military installations. The House

amendment also contained a provision (sec. 2803) that would authorize the Secretary of the Navy to establish a Navy Housing Investment Board consisting of private sector and federal government representatives. The Board would administer a revolving fund for Navy housing investment agreements.

The Senate bill contained no similar provision.

The House recedes on section 2803.

The Senate recedes on section 2802 with an amendment that would authorize the Secretary of the Navy to enter into limited partnership with one or more private developers to encourage the construction of housing near Navy installations. The amendment would also enable the Secretary to establish a Navy Housing Investment Board. The Secretary would also be authorized to contribute between five and 35 percent of the development costs under the limited partnership. Housing provided through these limited partnerships would be available on a preferential and affordable basis to Navy personnel.

Reimbursement for facility services provided by the Department of Defense (sec. 2804)

The conferees agree to a provision that would authorize the Secretary of Defense and the service secretaries to charge a fixed rate to recover the costs of providing planning, supervision, administrative, or overhead services related to construction, repair, or maintenance of real property.

Authority to pay closing costs under the homeowners assistance program (sec. 2805)

The Senate bill contained a provision (sec. 2802) that would amend section 1013(c) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374(c)) to authorize the Secretary of the Army, using available funds, to pay a qualified applicant's closing costs under the homeowners assistance program.

The House amendment contained no similar provision.

The House recedes.

Prohibition against consideration in base closure process of advance economic planning undertaken by communities adjacent to military installations (sec. 2811)

The Senate bill contained a provision (sec. 2811) that would prohibit any advance economic redevelopment and reuse planning or other conversion planning conducted by communities in anticipation of the base closure process from being taken into consideration during base closure deliberations.

The House amendment contained a similar provision (sec. 2811).

The House recedes.

Prohibition on transfer of certain property located at military installations to be closed pending completion of redevelopment plans (sec. 2812)

The House amendment contained a provision (sec. 2814) that would prohibit, under certain circumstances, the secretary of a military department from transferring personal property at a closing base prior to completion of the redevelopment plan.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would direct the secretary of a military department to consult with the redevelopment authority, prior to completion of the redevelopment

plan, to determine the items of personal property that the redevelopment authority might wish to retain at the closing base.

Clarifying and technical amendments to base closure laws (sec. 2813)

The Senate bill contained a provision (sec. 2812) that would make certain clarifying and technical amendments to the base closure laws.

The House amendment contained no similar provision.

The House recedes with an amendment that would delete section (e) of the Senate provision dealing with related personal property.

Governmental rental of facilities located on closed military installations (sec. 2814)

The House amendment contained a provision (sec. 2817) that would allow the Administrator of the General Services Administration to give priority consideration to leases at installations closed under a base closure law and transferred to a non-federal agency.

The Senate bill contained no similar provision.

The Senate recedes.

Report of effect of base closures on future mobilization options (sec. 2815)

The House amendment contained a provision (sec. 2815) that would direct the Secretary of Defense to submit a report to Congress by September 30, 1995, evaluating the effect of base closures and realignments conducted since January 1, 1987, on the ability of the armed forces to mobilize to various historical end strengths.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to submit the report by January 1, 1996.

Restoration of annual leave for civilian employees in connection with certain base realignments (sec. 2816)

The House amendment contained a provision (sec. 2816) that would, under certain conditions, authorize the restoration of annual leave lost by civilian employees at military installations undergoing base realignments.

The Senate bill contained no similar provision.

The Senate recedes.

Reports to Congress on certain agreements of settlement for release of improvements at overseas military installations (sec. 2831)

The Senate bill contained a provision (sec. 2846) that would limit the review of proposed residual value settlements by the Office of Management and Budget to those settlements that have an estimated value in excess of \$10.0 million.

The House amendment contained no similar provision.

The House recedes.

Additional lessee of property at Naval Supply Center, Oakland, California (sec. 2821)

The House amendment contained a provision (sec. 2821) that would amend section 2834(b) of the Military Construction Authorization Act for Fiscal Year 1993 (Division B of Public Law 102-484) to include the City of Alameda, California as an additional lessee of the property at the Naval Supply Center, Oakland, California.

The Senate bill contained no similar provision.

The Senate recesses.

Modifications of land conveyance, Fort A.P. Hill Military Reservation, Virginia (sec. 2831)

The Senate bill contained a provision (sec. 2831) that would amend section 603(c)(3) of the Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991 (Public Law 102-25) to expand the number of political subdivisions eligible to use the regional correctional facility and to extend the facility construction timeline.

The House amendment contained a similar a provision (sec. 2822).

The House recesses.

Preservation of Calverton Pine Barrens, Naval Weapons Industrial Reserve Plant, New York, as nature preserve (sec. 2823)

The House amendment contained a provision (sec. 2823) that would amend section 2854 of the Military Construction Authorization Act for Fiscal Year 1993 (Division B of Public Law 102-484) to ensure that Calverton Pine Barrens is maintained and preserved, in perpetuity, as a nature preserve.

The Senate bill contained a similar provision (sec. 2834).

The Senate recesses.

Modification of conveyance of electricity distribution system, Fort Dix, New Jersey (sec. 2832)

The Senate bill contained a provision (sec. 2832) that would amend section 2846 of the Military Construction Authorization Act for Fiscal Year 1994 (Division B of Public Law 103-160) by deleting the reversionary clause.

The House amendment contained a similar provision (sec. 2824).

The House recesses.

The conferees understand that the Secretary of the Army has been unable to convey the Fort Dix electrical distribution system to the Jersey Central Power and Lighting Company as authorized in fiscal year 1994. The reversionary clause included in the original provision has precluded Jersey Central Power from bonding and insuring the distribution system. The conferees recommend removing the reversionary clause from the fiscal year 1994 provision to enable Jersey Central to take ownership of and begin operating the distribution system. The conferees note that the interests of the Department of the Army are protected by regulations of the Public Utilities Commission of the State of New Jersey.

Modification of land conveyance Fort Knox, Kentucky (sec. 2325)

The Senate amendment contained a provision (sec. 2833) that would amend section 2816 of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (Division B of Public Law 101-189) to authorize the Secretary of the Army to use proceeds from the sale of 12 acres of land in the city of Radcliff for improvements to existing family housing units at Fort Knox.

The House amendment contained no similar provision.

The House recedes.

Revisions to release of reversionary interest, Old Spanish Trail Armory, Harris County, Texas (sec. 2826)

The Senate bill contained a provision (sec. 2847) that would make certain technical corrections to section 2820 of the Military Construction Authorization Act for Fiscal Year 1994 (Division B of Public Law 103-160).

The House amendment contained no similar provision.

The House recedes.

Modification of height restriction in avigation easement (sec. 2827)

The House amendment contained a provision (sec. 2855) that would amend section 2862 of the Military Construction Authorization Act of Fiscal Year 1991 (Division B of Public Law 101-510) to allow for the construction of a structure, not to exceed 155 feet, on property adjacent to Eglin Air Force Base, Florida. The provision would also require the Secretary of the Air Force to execute and file any instrument necessary to effect the modification of the avigation easement.

The Senate bill contained no similar provision.

The Senate recedes.

Technical amendment to correct reference in land transaction (sec. 2825)

The House amendment contained a provision (sec. 2857) that would amend section 2842(c) of the Military Construction Authorization Act for Fiscal Year 1994 (Division B of Public Law 103-160) by striking out "Washington Gas Company" and inserting in lieu thereof "American Water Company".

The Senate bill contained no similar provision.

The Senate recedes.

Land conveyances (secs. 2831, 2832, 2833, 2834, 2835, 2837, 2838, 2839, 2840)

The Senate bill contained a provision (sec. 2827) that would establish an expedited screening procedure to determine whether there were qualifying priority uses for certain parcels of real estate identified in the bill. If there were no such priority uses, the provision would authorize the Secretary of Defense to transfer the real estate to certain designated recipients

The House amendment contained a number of provisions (secs. 2831, 2832, 2833, 2834, and 2835) that would authorize the Secretary of Defense to transfer certain designated parcels of real estate to certain designated recipients. The House provisions would not require any screening to determine any priority uses.

The Senate recedes to the House provisions and the House recedes to the Senate provision with an amendment that would delete the screening process. The conferees agree to a series of provisions that would authorize the Secretary of Defense to transfer certain designated parcels of real estate contained in the Senate bill and in the House amendment to designated recipients. The provisions would provide authority for the following parcels of real estate:

- (1) Rio Vista Army Reserve Facility, Rio Vista, Calif.;
- (2) 10 acres at Ft. Dix, New Jersey;
- (3) Air Force Plant No. 3, Tulsa, Oklahoma;
- (4) Naval Weapons Industrial Reserve Plant, Calverton, N.Y.;
- (5) Air Force Plant No. 59, Johnson City, N.Y.;
- (6) Housing at the Radar Bomb Scoring Site, Dickinson, N.D.;
- (7) Radar Bomb Scoring Site, Finley, North Dakota;
- (8) Hawthorne Army Ammunition Plant (Babbitt Housing Area), Mineral County, Nevada; and
- (9) Defense Fuel Supply Point, Casco Maine.

The Senate conferees believe that, before any property belonging to the Department of Defense or the military services is transferred, the General Services Administration should have an opportunity, pursuant to the Federal Property and Administrative Services Act of 1949, to determine if there are other priority uses for the property. Of particular concern is the potential for use by other federal agencies. The Senate conferees believe that other federal agencies should be queried to determine if there are valid requirements for the property before it is transferred to a non-federal recipient. This is the only way that the federal government can ensure that it is not giving away property with one hand while acquiring similar property on the other hand. The Senate conferees are also aware, however, that the House conferees were not aware of the Senate conferees' desire to screen the DOD property for other uses prior to transfer at the time that the House conferees were considering the House amendment.

The House conferees agree to consider the screening process in their review and evaluation of any real estate for which authorization to transfer is provided in the fiscal year 1996 defense authorization act.

The conferees urge the subcommittees of jurisdiction of the Armed Services Committees of the Senate and House of Representatives to meet jointly, at the beginning of the 104th Congress, to discuss the effect of such a screening process on proposed land transfers. The conferees also urge that such discussions include consultation with members of the Committee on Governmental Affairs of the Senate, the Committee on Government Operations of the House, and the Committee on Public Works and Transportation of the House.

Land conveyance, Cornhusker Army Ammunition Plant, Hall County, Nebraska (sec. 2836)

The Senate bill contained a provision (sec. 2826) that would authorize the Secretary of the Army to transfer the Cornhusker Army Ammunition Plant to Hall County, Nebraska for fair market value.

The House amendment contained no similar provision.

The House recedes. The conferees note that this land may not be transferred until it meets the requirements of section 120 of the Comprehensive Environmental Response, Compensation and Liability Act.

Lease of property, Naval Shipyard, Vallejo, California (sec. 2841)

The House amendment contained a provision (sec. 2841) that would authorize the Secretary of the Navy to convey to the City of Vallejo, without consideration, a parcel of real property consisting of dredge ponds located on Mare Island in Vallejo, California, and currently under the control of the Mare Island Naval Shipyard Command.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would authorize the Secretary to lease the dredge ponds to the City for a lease term of up to 15 years.

Lease of property, Naval Radio Receiving Facility, Imperial Beach, Coronado, California (sec. 2842)

The House amendment contained a provision (sec. 2836) that would authorize the Secretary of the Navy to lease, at less than fair market value and for 50 years, 45.5 acres of real property at the Naval Radio Receiving Facility, Imperial Beach, Coronado, California, to the Young Men's Christian Association.

The Senate bill contained a similar provision (sec. 2836).

The Senate recedes.

Authority for Oxnard Harbor District, Port Hueneme, California, to use certain Navy property (sec. 2843)

The House amendment contained a provision (sec. 2851) that would authorize the Secretary of the Navy to enter into an agreement with the Oxnard Harbor District, Port Hueneme, California, to permit joint use of Wharf Number 3 and associated real property comprising 25 acres located at the Naval Construction Battalion Center, Port Hueneme, California.

The Senate bill contained a similar provision (sec. 2822).

The Senate recedes.

Transfer of jurisdiction, Air Force housing at Radar Bomb Scoring Site, Holbrook, Arizona (sec. 2844)

The Senate bill contained a provision (sec. 2848) that would authorize the Secretary of the Air Force to transfer jurisdiction of family housing and associated support facilities at the Radar Bomb Scoring Site, Holbrook, Arizona to the Secretary of Interior for use in connection with the Petrified Forest National Park.

The House amendment contained a similar provision (sec. 2839).

The House recedes.

Land transfer, Holloman Air Force Base, New Mexico (sec. 2845)

The Senate bill contained a provision (sec. 2821) that would direct the Secretary of Interior to transfer 1,262 acres of public land to the Secretary of the Air Force for inclusion in the Holloman Air Force Base.

The House amendment contained no similar provision.

The House recedes with a technical amendment that would clarify that the Air Force assumes responsibility for all environmental response actions on the transferred land.

Land transfer, Fort Devens, Massachusetts (sec. 2846)

The Senate bill contained a provision (sec. 2825) that would authorize the Secretary of the Army to transfer to the Department of Interior approximately 800 acres of land located at Fort Devens for inclusion in the Oxbow National Wildlife Refuge.

The House amendment contained no similar provision.

The House recedes with a technical amendment that would clarify that the transfer be made in consultation with the local communities and the State of Massachusetts Land Bank. The conferees direct the Secretary of the Army to transfer this land at no cost to the Department of Interior.

Release of requirements and reversionary interest on certain property in Baltimore, Maryland (sec. 2847)

The House amendment contained a provision (sec. 2837) that would authorize the Secretary of Defense to release the reversionary interest of the United States in property described in section 2 of chapter 310; 20 Stat. 167, which was approved on June 19, 1878.

The Senate bill contained no similar provision.

The Senate recedes with a technical amendment.

Release of reversionary interest on certain property in York County and James City County, Virginia, and Newport News, Virginia (sec. 2848)

The Senate bill contained a provision (sec. 2824) that would authorize the Secretary of the Navy to release the reversionary interest of the United States in 62 acres of real property located in James City County, Virginia to the Virginia Department of Transportation, provided that the property would continue to be used for a public purpose.

The House amendment contained a similar provision (sec. 2838).

The House recedes with a technical amendment.

Joint construction contracting for commissaries and nonappropriated fund instrumentality facilities (sec. 2851)

The Senate bill contained a provision (sec. 2841) that would authorize joint construction contracting for commissaries and nonappropriated fund instrumentality facilities.

The House amendment contained no similar provision.

The House recedes.

National Guard facility contracts subject to performance supervision by the Army or the Navy (sec. 2852)

The Senate bill contained a provision (sec. 2842) that would make a technical correction to section 2237 of title 10, United States Code.

The House amendment contained no similar provision.

The House recedes.

The conferees understand that when paragraphs (5) and (6) were added to section 2233(a) of title 10, United States Code, section 2237 was not modified to reflect the change. This technical amendment will correct an oversight by adding paragraphs (5) and (6) to section 2237 of title 10, United States Code.

Repeal of restriction on land transactions relating to the Presidio of San Francisco, California (sec. 2853)

The House amendment contained a provision (sec. 2853) that would repeal section 2856 of the Military Construction Authorization Act for Fiscal Year 1994.

The Senate bill contained no similar provision.

The Senate recesses.

Report on use of funds for environmental restoration at Cornhusker Army Ammunition Plant, Hall County, Nebraska (sec. 2854)

The Senate bill contained a provision (sec. 2844) that would direct the Secretary of the Army to prepare a report describing the manner in which funds would be used for operation and maintenance and environmental restoration activities at the Cornhusker Army Ammunition Plant during the years before the property is transferred to Hall County Nebraska.

The House amendment contained no similar provision.

The House recesses.

Women in Military Service For America Memorial (sec. 2855)

The conferees agree to a provision that would authorize the Secretary of the Army to provide engineering, design, construction management, and related services to the Women in Military Service for America Memorial Foundation, Inc., on a reimbursable basis, for the construction of the Women in Military Service for America Memorial.

Sense of the Senate on authorizing military construction projects not requested in the President's budget request (sec. 2856)

The Senate bill contained a provision (sec. 2850) that would express the sense of the Senate that, to the maximum extent practicable, the Senate should consider the authorization of funds for military construction projects not included in the annual budget request of the Department of Defense only if:

- (1) the project is consistent with past actions of the base realignment and closure process;
 - (2) the project is included in the five-year military construction plan of the military department concerned;
 - (3) the project is necessary for reasons of the national security of the United States;
- and
- (4) a contract for construction of the project can be executed in that fiscal year.

The provision would also express the sense of the Senate that, in considering these criteria, the Senate should obtain the views of the Secretary of Defense. These views should include whether funds for a military construction project not included in the budget request can be offset by funds for

other programs, projects, or activities, including military construction projects, in the budget request, and, if so, the specific offsetting reductions recommended by the Secretary of Defense.

The House amendment contained no similar provision.

The House recesses.

The conferees recognize that each year Congress authorizes and appropriates funds for military construction projects, required by the military services, that are not included in the annual budget request.

The House conferees agree to consider the criteria set forth in this sense of the Senate provision, along with the criteria always used by the House, in their review and evaluation of any military construction projects proposed to be added to the fiscal year 1996 defense authorization request.

The conferees urge the subcommittees of jurisdiction of the Armed Services Committees of the Senate and House of Representatives to meet jointly at the beginning of the 104th Congress in an attempt to agree on the criteria that might be used to judge military construction projects not included in the budget request.

LEGISLATIVE PROVISIONS NOT ADOPTED

Sense of Senate on the activities of the Secretary of Defense in support of communities affected by base closures

The Senate bill contained a provision (sec. 2813) that would express the sense of the Senate that DOD regulations should conform closely with the amendments to the base closure provisions contained in the National Defense Authorization Act for Fiscal Year 1994, and that the Secretary of Defense should establish a base closure incentive award.

The House amendment contained no similar provision.

The Senate recesses.

Waiver of reporting requirements of certain real property transactions in the event of war or national emergency

The Senate bill contained a provision (sec. 2843) that would amend the reporting requirements regarding real property transactions in section 2662 of title 10, United States Code.

The House amendment contained no similar provision.

The Senate recesses.

DOD Laboratory Revitalization Act of 1994

The Senate bill contained a provision (sec. 2845) that would establish a five-year test program for revitalization of Department of Defense laboratories. The provision would increase the threshold for minor military construction projects funded through the unspecified minor military construction and operation and maintenance accounts for Department of Defense laboratories.

The House amendment contained no similar provision.

The Senate recesses.

Repayment of state and local costs incurred in connection with establishment of certain military installations selected for closure

The House amendment contained a provision (sec. 2812) that would, in certain circumstances, prevent the Secretary of a military service from removing items of personal property at a closing base, prior to completion of a redevelopment plan, unless such removal was approved by the redevelopment authority.

The Senate bill contained no similar provision.

The House recedes. In a small number of cases, State and local funds were expended to establish new military facilities in strategic locations around the country. The expenditure of these non-federal funds represented a direct State and local subsidy of federal military projects. The obligation of these monies represented a great financial sacrifice which is still being repaid. Therefore, the conferees direct the Secretary of Defense to include repayment of these State, county, and local expenditures in the calculation of the base on-time cost report (COBRA) used by the Department to determine the cost of closing a particular facility. The COBRA calculation should include the repayment costs to a state, county, or municipality (or an agency or political subdivision of such an entity) for funds raised or bonds issued for military construction, pier construction or improvements, land purchase, and infrastructure and utility improvements in direct support of the establishment of a military installation for which construction began on or after January 1, 1985.

Limitation on sources of funds available to implement base closures and realignments

The House amendment contained a provision (sec. 2813) that would prohibit the use of funds from outside the base closure account from being used for planning and design, minor construction, or operation and maintenance activities at closing bases.

The Senate bill contained no similar provision.

The House recedes.

Sense of the Congress on continued operation of medical facilities

The House amendment contained a provision (sec. 2856) that would urge the Secretary of the Air Force to pursue all practical options necessary to continue operating a health care facility for retired military personnel at K.I. Sawyer Air Force Base, Michigan, which was recommended for closure in 1993.

The Senate bill contained no similar provision.

The House recedes.

The conferees agree to a similar provision in title VII of this act that would urge the Secretary of Defense to take all appropriate steps to protect the continuity of health care services for all beneficiaries residing in areas adversely affected by the base closure process, which would include areas such as K.I. Sawyer, Michigan and Myrtle Beach, South Carolina.

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DIVISION C-DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND
OTHER AUTHORIZATIONS

TITLE XXXI-DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A of Title XXXI of Division C of the Senate bill would authorize appropriations in the amount of \$10,325,432,000 for the Department of Energy national security programs.

Subtitle A of Title XXXI of Division C of the House amendment would authorize appropriations in the amount of \$10,460,864,000 for these purposes.

The conferees recommend an authorization of \$10,305,847,000.

The DOE budget requests, including the amended budget requests, the authorizations contained in the Senate bill and the House amendment, and the conference agreement are presented in the following tables.

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LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Weapons activities (sec. 3101)

The Senate bill contained a provision (sec. 3101) that would authorize \$3.310 billion for operating expenses, plant projects, and capital equipment for weapons activities necessary to carry out the Department of Energy national security programs.

The House amendment contained a provision (sec. 3101) that would authorize \$3.203 billion.

The conferees recommend \$3.234 billion for weapons activities, a reduction of \$66.0 million to the requested amount of \$3.300 billion. This reduction is necessary due to budgetary constraints; however, it is offset in part by the availability of prior-year funds that have not been obligated, prior-year funds that, although obligated, have not been spent and will probably not be needed for the projects for which they were obligated, and unnecessary prefinancing expenses.

Environmental restoration and waste management (sec. 3102)

The Senate bill contained a provision (sec. 3102) that would authorize \$5.212 billion for operating expenses, plant projects, and capital equipment for defense environmental restoration and waste management activities.

The House amendment contained a provision (sec. 3102) that would authorize \$5.179 billion.

The conferees recommend \$5.093 billion for defense environmental restoration and waste management activities, a reduction of \$101.0 million to the requested amount of \$5.194 billion. This reduction is necessary due to budgetary constraints; however, it is offset in part by the availability of prior-year funds that have not been obligated, prior-year funds that, although obligated, have not been spent and will probably not be needed for the projects for which they were obligated, and unnecessary prefinancing expenses.

Nuclear materials support and other defense programs (sec. 3103)

The Senate bill contained a provision (sec. 3103) that would authorize \$1.894 billion for operating expenses, plant projects, and capital equipment for nuclear materials support and other defense programs.

The House amendment contained a provision (sec. 3103) that would authorize \$1.949 billion.

The conferees recommend \$1.850 billion for nuclear materials support and other defense programs, a reduction of \$49.0 million to the requested amount of \$1.899 billion. This reduction is necessary due to budgetary constraints; however, it is offset in part by the availability of prior-year funds that have not been obligated, prior-year funds that, although obligated, have not been spent and will probably not be needed for the projects for which they were obligated, and unnecessary prefinancing expenses.

Defense nuclear waste disposal (sec. 3104)

The Senate bill contained a provision (sec. 3104) that would authorize \$129.4 million as the Department of Energy defense contribution to the nuclear waste fund.

The House amendment contained a identical provision (sec. 3104) that would authorize \$129.4 million for payment to the fund.

The conferees recommend \$129.4 million as the Department of Energy defense contribution to the nuclear waste fund.

Reprogramming (sec. 3121)

The Senate bill contained a provision (sec. 3121) that would set forth requirements and limitations on Department of Energy reprogramming actions. The provision would prevent the Department of Energy from reprogramming funds that would cause a program to exceed the lesser of 105 percent of the funds authorized for any program, or \$10.0 million more than the amount authorized for any program, until 30 legislative days following submittal of a report to the Armed Services Committees of the Senate and House of Representatives and to the Energy and Water Appropriations Subcommittees of the Senate and House of Representatives, describing the funding adjustments.

The House amendment contained a similar provision (sec. 3121) that would prevent the Department of Energy from reprogramming funds that would cause a program to exceed the lesser of 102 percent of the funds authorized for any program for \$1.0 million more than the amount authorized for any program.

The Senate recedes with an amendment. To ensure a uniform approach to reprogramming actions, the conferees recommend a provision that would prevent the Department of Energy from reprogramming funds that would cause a program to exceed, during any fiscal year, 110 percent of the funds authorized for any program, or \$1.0 million more than the amount authorized for any program, until 30 legislative days following the submittal of a report to the congressional defense committees.

Limits on general plant projects (sec. 3122)

The Senate bill contained a provision (sec. 3122) that would allow the Secretary of Energy to carry out construction projects under the general plant projects authorized by title XXXI of the Senate bill if the total estimated cost of the project did not exceed \$2.0 million.

The House amendment contained a similar provision (sec. 3122).

The House recedes.

Limits on construction projects (sec. 3123)

The Senate bill contained a provision (sec. 3123) that would prohibit the Secretary of Energy from beginning or incurring additional obligations for an ongoing construction project, if they would exceed by 25 percent or more the amount authorized for the project, or the total estimated cost of the project as shown in the most recent budget justification data submitted to Congress. The Secretary may undertake the prohibited actions if the Secretary notifies the congressional defense committees of the overage and explains the necessity for the overage.

The House amendment contained an identical provision (sec. 3123).

The conferees agree to include this provision.

Transfer authority (sec. 3124)

The Senate bill contained a provision (sec. 3124) that would allow the Secretary of Energy to transfer funds to other agencies for the performance of the work for which the funds were appropriated.

The House amendment contained a similar provision (sec. 3124).

The Senate recesses.

Construction design and conceptual design for construction projects (sec. 3125)

The Senate bill contained a provision (sec. 3125) that would allow the Secretary of Energy to use funds appropriated to the Department of Energy to carry out advance planning and design for construction projects if the total cost for advance planning and design does not exceed \$3.0 million. If the total cost of the advance planning and design exceeds \$600,000, the Secretary would be required to notify the congressional defense committees. The provision would also require specific congressional authorization if the total estimated cost of the advance planning and design activities exceeds \$3.0 million.

The House amendment contained a similar provision (sec. 3125) that would limit the cost of advance planning and design to \$2.0 million and would require notification of the appropriate congressional committees if the cost of the advance planning and design activities exceeds \$300,000.

The Senate bill contained another provision (sec. 3126) that would require the Secretary of Energy to complete a conceptual design for a construction project before submitting the request for funds to begin the construction project, unless the request is for an emergency construction project.

The House amendment contained a similar provision (sec. 3126).

The conferees agree to combine the provisions into one provision that would require the Secretary of Energy to complete a conceptual design report before submitting an authorization request for a construction project which is estimated to cost more than \$2.0 million. In addition, the provision would allow the Secretary to use available funds to complete the conceptual designs unless the cost of the conceptual design will exceed \$3.0 million. When the cost of the conceptual design is estimated to exceed \$3.0 million, the Secretary must submit a specific request for authorization to prepare the conceptual design.

Authority for emergency planning, design, and construction activities (sec. 3126)

The Senate bill contained a provision (sec. 3127) that would allow the Secretary of Energy to use funds appropriated to the Department of Energy for emergency planning, design, and construction activities if the activity is necessary to protect public health and safety, meet the needs of national defense, or protect property.

The House amendment contained a similar provision (sec. 3127).

The House recesses with an amendment that would allow the Secretary of Energy to use funds appropriated to the Department of Energy for emergency construction activities and that would clarify that completion of a conceptual design is not a prerequisite to initiating an emergency construction project.

Funds available for all national security programs of the Department of Energy (sec. 3127)

The Senate bill contained a provision (sec. 3128) that would provide, subject to the provisions of appropriations acts, that funds made available for DOE management and support

activities and for general plant projects are available for use in connection with all national security programs of DOE.

The House amendment contained a similar provision (sec. 3128).

The House recesses.

Availability of funds (sec. 3128)

The Senate bill contained a provision (sec. 3129) that would, subject to appropriations acts, provide that funds appropriated for the Department of Energy remain available until expended.

The House amendment contained an identical provision (sec. 3129).

The conferees agree to include this provision.

Stockpile stewardship recruitment and training program (sec. 3131)

The Senate bill contained a provision (sec. 3131) that would direct the Secretary of Energy, in conjunction with the Chairman of the Joint Nuclear Weapons Council, to establish a program that would provide DOE and its three laboratories that have been traditionally involved in the nuclear weapons programs, a continuing source of highly-trained, highly-educated scientists, engineers, and other individuals. These three laboratories are the Lawrence Livermore National Laboratory, the Los Alamos National Laboratory, and the Sandia National Laboratory. The provision would authorize \$4.0 million for the program and would require DOE to submit a report on laboratory personnel demographics.

The House amendment contained a similar provision (sec. 3131) but would provide \$5.0 million for the program.

The Senate recesses.

The conferees are deeply concerned about the adverse demographic trends at the nuclear weapons laboratories. Notwithstanding statutory direction to the Secretary "to encourage the preservation of core intellectual and technical competencies of the U.S. in nuclear weapons," the Department has not taken measures to develop an inventory of the skills required to support the enduring nuclear weapons mission, nor the skills available within the laboratories to fulfill those requirements. At the same time, two disturbing trends continue to erode the skills base: (1) early retirement incentives offered at several laboratories have caused a disproportionate number of retirements of senior science professionals in the laboratories' weapons program; and (2) budget cuts and the perception of national ambivalence about the nuclear weapons program have hindered the laboratories' ability to recruit new professionals.

To address the problem of retention and recruitment within the weapons programs at the laboratories, the conferees agree to a provision that would direct the Secretary of Energy to establish a stockpile stewardship recruitment and training program.

The program would have three elements. First, the program would ensure a continuing supply of new scientists through improved recruitment and training. A specialized training program is necessary to develop the skills of new scientists and to maintain the skills of the current scientists. Second, the program would encourage the laboratories to work with graduate and undergraduate students in dual-use programs related to the nuclear weapons programs. This would help to bring into the laboratories a broad variety of new scientists who have wide-ranging skills applicable to both defense and non-defense work.

Third, the Secretary would be directed to establish a retiree corps. This corps could provide unique insight to new scientists by sharing and archiving their years of knowledge of the weapons program, including weapons testing. In addition, the members of the corps would be available to assist in the event any problems arise in the enduring stockpile. The conferees agree that nothing in this provision should be interpreted to amend, abrogate, or affect any retirement system or agreement.

The provision would also require the Secretary to prepare a report, in conjunction with the Nuclear Weapons Council, on the personnel demographics of the weapons laboratories. The report should identify the various tasks and skills necessary for the laboratories to meet their nuclear weapons obligations and to provide a breakdown, by age and skill, of the number of scientists available at each laboratory to meet its requirements. In addition, the report should identify any shortfalls, by skill and by laboratory, either existing now or anticipated over the next five years. In the report, the Secretary must identify the alternatives available to prevent any shortfalls and to maintain a highly competent staff at the laboratories. The conferees expect the data included in the report to be aggregated into statistical categories.

Defense inertial confinement fusion program (sec. 3132)

The Senate bill contained a provision (sec. 3132) that would provide \$176.473 million to the Department of Energy for the defense inertial confinement fusion program.

The House amendment contained a similar provision (sec. 3132).

The House recesses.

In September 1990, the National Academy of Sciences completed a review of the inertial confinement fusion program. The review set out a series of milestones and priorities that the Department of Energy has begun to implement. The conferees urge the DOE to implement fully the recommendations of the Academy. The conferees provide \$176.473 million for inertial confinement fusion, of which \$166.755 million is for operating expenses and \$9.718 million is for capital equipment. This is the same level as the requested amount.

This funding would provide \$20.765 million to continue the upgrade of the OMEGA laser, \$78.650 million for the upgrade of the NOVA laser, and \$8.750 for the Naval Research Laboratory. The conferees note that no funds were requested for any litigation expenses or other expenses associated with the close-out or termination of any prior-year contracts. Therefore, the conferees prohibit the use of any of the funds authorized and appropriated for the ICF program for such purposes unless DOE submits a formal reprogramming request prior to obligating funds for litigation, close-out, termination, or related costs connected with prior-year contracts.

The ICF program is an important part of the new science-based stockpile stewardship program. The conferees remain committed to supporting the program.

Payment of penalties (sec. 3133)

The Senate bill contained a provision (sec. 3133) that would authorize the Secretary of Energy to pay two civil penalties, each in the amount of \$50,000, assessed under the consent agreements and compliance orders for the Fernald and Portsmouth, Ohio facilities, to the Hazardous Substances Response Trust.

The House amendment contained a similar provision (sec. 3133).

The House recesses.

Water management programs (sec. 3134)

The Senate bill contained a provision (sec. 3134) that would authorize the Secretary of Energy to reimburse the cities of Westminster, Broomfield, Thornton, and Northglenn, Colorado, in the amount of \$11.415 million from funds authorized for environmental restoration and waste management.

The House amendment contained an identical provision (sec. 3134).

The conferees agree to include this provision. This represents the fifth and final payment to the communities to allow them to complete a project, known as the "option B project," that will protect Standley Lake from runoff from the Rocky Flats Plant and replace the Great Western Reservoir system with a new water supply and treatment system.

Worker protection at nuclear weapons facilities (sec. 3135)

The Senate bill contained a provision (sec. 3136) that would authorize \$11.0 million to continue the training program for workers at the DOE defense nuclear complex facilities established by section 3131 of the National Defense Authorization Act for Fiscal Years 1992 and 1993.

The House amendment contained a similar provision (sec. 3135).

The House recedes with a technical amendment that would clarify that the program will use funds authorized to be appropriated for environmental restoration and waste management in section 3102.

Limitation on use of program direction funds (sec. 3136)

The House amendment contained a provision (sec. 3137) that would prohibit the obligation of 50 percent of the funds appropriated for program direction for environmental restoration and waste management activities until the Secretary submits the first report required by section 3153 of the National Defense Authorization Act for Fiscal Year 1994.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would prohibit obligation of 20 percent of the funds appropriated for program direction until the required report is submitted.

National security programs (sec. 3137)

The Senate bill contained a provision (sec. 3137) that would prohibit obligation of more than 90 percent of the funds authorized to be appropriated under this title until the Secretary of Energy submits to the Congress the five-year budget plan for fiscal year 1996 required by section 3144 of the National Defense Authorization Act for Fiscal Years 1990 and 1991.

The House amendment contained no similar provision.

The House recedes with an amendment that would prohibit obligation of more than 80 percent of the funds available until the plan was submitted

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Programs for persons who may have been exposed to radiation released from Hanford nuclear reservation (sec. 3138)

The Senate bill contained a provision (sec. 3140) that would provide \$3.296 million for the first of three additional years to continue the work of the Hanford health information network.

Funds for the network were originally authorized in the National Defense Authorization Act for Fiscal Year 1991. In addition, the provision would prohibit the unauthorized use of information gathered by the network.

The House amendment contained a similar provision (sec. 3136) that would provide \$2.5 million to continue the network. The House amendment also contained a provision (sec. 3158) that would prevent unauthorized disclosure of the information gathered by the network.

The Senate recedes to the House section 3136. The Senate recedes with an amendment to the House section 3158 that would prevent unauthorized disclosure of the information gathered by the network and that would require the States of Washington, Oregon, and Idaho to agree on a uniform procedure for authorized disclosure of the information gathered. The Secretary could obligate no more than half of the funds to the network until such a procedure is established.

The States of Oregon, Washington, and Idaho submitted a proposal to continue the network originally started in 1992 for three years, beginning in fiscal year 1995. The total cost would be \$8.9 million. The conferees support continuation of the network for the additional time, but urge the network to begin planning for the three States to assume responsibility for the network at the end of fiscal year 1997.

Limitation on study or relocation of tritium-related activities and operations (sec. 3139)

The House amendment contained a provision (sec. 3142) that would prohibit the relocation of tritium-related facilities in a manner contrary to the recommendations analyzed in the Department of Energy's non-nuclear reconfiguration environmental assessment.

The Senate bill contained no similar provision.

The Senate recedes.

Hazardous materials management and hazardous materials emergency response training program (sec. 3140)

The Senate bill contained a provision (sec. 3139) that would provide an additional \$14.0 million in operating expenses, from the funds authorized to be appropriate for environmental restoration and waste management, to continue training activities at the Department of Energy Hanford, Washington site. The Senate bill would not authorize construction funding requested for a training facility.

The House amendment contained no similar provision but would authorize \$14.0 million for construction of a training facility (project 95-E-600) and \$6.0 million in operating expenses.

The Senate recedes to the House construction authorization with an amendment that would authorize \$7.0 million in construction funding. The House recedes to the Senate provision with an amendment that would provide \$6.0 million in operating expenses, and transfer the funding for both construction and operating expenses from section 3102(d), technology development, to section 3102(c), waste management. The conferees believe that funding for hazardous materials management and emergency response training is not a research and development activity, and is thus more appropriately included under waste management activities. The provision would also prohibit the obligation of funds for project 95-E-600 until the Secretary of Energy completes a conceptual design for the project.

The conferees are concerned about the training available to workers at the Hanford site. The nuclear materials processing and production facilities at the site, including nuclear reactors, have to be decontaminated and decommissioned but are old and in a poor state of repair. Clearly, much of the future workload at the site will pose both radiological and physical hazards to the workers, and there is a pressing need for training at the site.

How the Department plans to utilize the training facility, however, is unclear to the conferees, particularly the extent to which the facility will be utilized by Department of Energy employees and contractor employees from other DOE defense complex sites, or by others outside of DOE. This facility should be designed primarily to meet the needs of DOE and contractor employees at Hanford. The DOE mission is not to develop or to provide broad-based hazardous materials training for the general public.

The conferees direct the Secretary to perform a needs assessment for worker training at DOE defense nuclear facilities, and propose a strategy to ensure that all hazardous material management and emergency response workers receive proper training. The report should also define the role of the Hanford training facility within the overall departmental strategy and discuss the extent to which this facility would be utilized by non-departmental employees. This assessment and strategy report should be delivered to Congress within 30 days of the President's budget submission for fiscal year 1996.

International Center for Applied Research (sec. 3141)

The House amendment contained a provision (sec. 3141) that would direct the Secretary of Energy to establish an international center for applied research which would be operated by a specific non-profit entity.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would ensure that selection of an operator for the center will be done on a competitive basis and that the center will run for the economic benefit of the Georgia-South Carolina regional area. This area will be affected by the anticipated downsizing of the workforce at the Savannah River Site.

The funding provided for operating of the center is the first of three annual funding allocations. The conferees agree that this three-year funding will serve as the total amount of operating funds provided for the center, and that the center should be self-sustaining by the time those funds are expended.

Accounting procedures for Department of Energy funds (sec. 3151)

The Senate bill contained a provision (sec. 3151) that would require the Department of Energy to account more fully for the use of its funds. This accounting would be done on a fiscal year basis, notwithstanding that the funds appropriated to the Department of Energy, pursuant to title XXXI for national security programs, are available for obligation until expended.

The House amendment contained a similar provision (sec. 3151).

The House recedes with an amendment that would clarify that this provision would apply to the funds authorized to be appropriated pursuant to title XXXI only and not to other funds of the Department.

DOE continues to have large uncosted balances in all national security programs and continues to retain funds in excess of those required to complete close-out of construction projects in construction project line items. The conferees are concerned that in the current constrained defense budget environment, the Department may not be making maximum use of its funds, or is requesting more funds than are necessary to meet its obligations. This provisions would assist the conferees and the Department in tracking the use of funds for national security programs.

Approval for certain nuclear weapons activities (sec. 3152)

The Senate bill contained a provision (sec. 3152) that would amend section 179 of title 10, United States Code, to include, as an additional responsibility of the Nuclear Weapons Council, coordination and approval of activities conducted by the Department of Energy associated with the study, development, production, and retirement of nuclear warheads.

The House amendment contained a similar provision (sec. 3152). The House provision would also require the Nuclear Weapons Council to conduct an annual review of operations of the Council, the projects approved by the Council, and the activities carried out by the Department of Energy. The results of the review would be discussed in an annual report to the Secretary of Energy, a copy of which would be provided to the congressional defense committees. The report would cover the preceding fiscal year and would be submitted prior to the preparation of the budget request for the next fiscal year.

The Senate recedes with an amendment that would clarify that the report is required to be submitted to the congressional defense committees at the same time the President's budget request is submitted to Congress.

Study of feasibility of conducting certain activities at the Nevada Test Site, Nevada (sec. 3153)

The Senate bill contained a provision (sec. 3153) that would require the Secretary of Energy to study a wide range of alternative uses for the Nevada Test Site.

The House amendment contained a similar provision (sec. 3153).

The House recedes.

Report on waste streams generated by nuclear weapons production cycle (sec. 3154)

The House amendment contained a provision (sec. 3154) that would direct the Secretary of Energy to analyze and describe all waste streams generated during each step of the complete cycle of production and disposition of nuclear weapons components.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would direct the Secretary to analyze the waste streams that were generated before 1992 when the Department of Energy was actually producing nuclear weapons. The DOE has not produced any nuclear weapons for several years, has no plans to resume production of any existing nuclear weapons, and has no plans to design or produce any new weapon. Thus, such a review can only consider past production activities. The report must be submitted no later than March 31, 1996.

Communication of restricted data and formerly restricted data (sec. 3155)

The House amendment contained a provision (sec. 3155) that would amend subsection (f) of section 142 of the Atomic Energy Act of 1954 to clarify that restricted data which are exchanged with a member state of the Commonwealth of Independent States, pursuant to a bilateral agreement, need not also be released publicly.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would repeal subsection 142 f. of the Atomic Energy Act and allow the Department of Energy and the Department of Defense to release restricted data or formerly restricted data pursuant to cooperative agreements. The provision would amend section 144 of the Atomic Energy Act to allow DOE and DOD to release the data, as necessary, to further fissile material and other weapons material control and accountability programs; to support

atomic weapons control and accountability; for treaty verification; and to assist in establishing a uniform international system of classification.

All releases of restricted or formerly restricted data would be made through agreements for cooperation entered into pursuant to section 123 of the Atomic Energy Act. In addition, the provision would waive the period of notice to Congress required by section 123 d. of the Atomic Energy Act, until December 31, 1995, for agreements entered into pursuant to the new authority.

The conferees note that, in the past, agreements for cooperation under the Atomic Energy Act have been managed by the executive branch in a cumbersome fashion so that they take an extraordinarily long time to complete. The conferees provide for a streamlined section 123 process with the inclusion of procedural waivers. In turn, the conferees urge DOE and DOD to shorten the length of time necessary to enter into these agreements. The conferees hope that most of the time needed to enter into these agreements would be spent on actual negotiations with the country involved and not on protracted reviews. Close coordination among all parties concerned should help alleviate some of the long bureaucratic delays that section 123 agreements have suffered in the past.

The conferees understand that situations involving the release of restricted or formerly restricted data may require fast action. These new agreements could be very valuable, particularly in areas such as emergency response actions dealing with uncontrolled nuclear weapons or materials, or accident response. The conferees hope that situations in which fast action is required would be contemplated and addressed in these new agreements.

Designation of Marilyn Lloyd Scholarship and Fellowship Program (sec. 3156)

The Senate bill contained a provision (sec. 3138) that would authorize \$1.0 million for the Department of Energy environmental scholarship program established by section 3132 of the National Defense Authorization Act for Fiscal Years 1992 and 1993.

The House amendment contained a provision (sec. 3156) that would designate the scholarship program the "Marilyn Lloyd Scholarship and Fellowship Program" in honor of the congresswoman from the third district of Tennessee, who was the original sponsor of the scholarship and fellowship program, and her enduring commitment to higher education in the scientific and technical fields.

The conferees agree to include both provisions.

Report on economic redevelopment and conversion activities resulting from reconfiguration of Department of Energy nuclear weapons complex (sec. 3157)

The House amendment contained a provision (sec. 3157) that would require the Secretary of Energy to submit to Congress information regarding economic redevelopment and conversion activities that may result from reconfiguration of the Department's nuclear weapons complex.

The Senate bill contained no similar provision.

The Senate recedes with a technical amendment.

Office of Fissile Materials Disposition (sec. 3158)

The Senate bill contained a provision (sec. 3155) that would amend the Department of Energy Organization Act to establish, within DOE, an Office of Fissile Materials Disposition. This provision would make permanent the fissile materials project office established by the Secretary of Energy.

The House amendment contained no similar provision.
The House recedes.

Extension of authority to loan personnel and facilities at Idaho National Engineering Laboratory (sec. 3159)

The Senate bill contained a provision (sec. 3156) that would amend section 3133 of the National Defense Authorization Act for Fiscal Year 1993 to extend the loaned executive program at the Idaho National Engineering Laboratory until 1997, at which time the program will terminate.

The House amendment contained no similar provision.

The House recedes.

Elimination of requirement for five-year plan for defense nuclear facilities (sec. 3160)

The Senate bill contained a provision (sec. 3157) that would amend section 3135 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 by eliminating Department of Energy defense nuclear facilities from the annual five-year planning requirement.

The House amendment contained no similar provision.

The House recedes with an amendment that would amend section 3153 of the National Defense Authorization Act for Fiscal Year 1994, which directs the Secretary of Energy, for public participation, to prepare annual environmental management reports. The amendment would require the Secretary of Energy to provide for public participation generally in planning the activities of the Office of Environmental Restoration and Waste Management.

The five-year plan included an opportunity for public participation in environmental program planning and preparation of the plan. This element of the five-year plan will now be included in the annual environmental management reports.

The new report will supersede the five-year plan for Department of Energy defense facilities beginning in fiscal year 1995. The provision would not terminate the requirement to submit an annual five-year plan at DOE facilities other than defense facilities. Those facilities would not be included in the new reporting requirement.

Authority for appointment of certain scientific, engineering, and technical personnel (sec. 3161)

The Senate bill contained a provision (sec. 3158) that would allow the Secretary of Energy to hire and pay, without regard to civil service laws, up to 200 scientific, engineering, and technical personnel whose duties would relate to safety at Department of Energy defense nuclear facilities.

The House amendment contained no similar facilities.

The House recedes with an amendment. The amendment would expand the scope of the review conducted by the Office of Personnel Management (OPM) to include whether the rate of pay is appropriate to the qualifications and responsibilities of the individuals hired. In addition, the provision would require the Department to reimburse the Office of Personnel Management for the costs incurred by OPM in performing the required periodic reviews. The amendment would also limit the number of people that the Department may hire during the first year to 100.

The amendment would also require the Administrator of the Environmental Protection Agency (EPA) to consult with the Secretary and to issue a report to Congress after the fiftieth person is hired under this authority. The conferees are concerned that some of the people hired under this new authority may be already employed at a site listed on the national priorities list (NPL), which is established pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act. Some conferees are concerned about the effect of such hiring on such sites. They expressed concern that the Secretary, in using this authority, might delay the work at NPL sites. Therefore, the

conferees would require the Administrator of EPA and the Secretary to assess in this report whether the appointments made under this authority have caused serious problems at any NPL site, including:

- (a) significant delay or disruption of an environmental remedial action project;
- (b) significant cost escalation of personnel for the remediation project; or
- (c) significantly increased shortages or critical personnel.

If the Secretary and the Administrator find that these problems have indeed arisen as a result of this authority, they would be required to report jointly to Congress their plan to:

- (a) reduce the rate of hiring under the authority provided under this section;
- (b) solicit personnel from sources other than NPL sites; or
- (c) provide any other effective alternative.

The report must be submitted to the Congress no later than 30 days after appointment of the fiftieth person under the authority provided by this section. The Secretary would be prohibited from making additional appointments under the authority of this section until the report is issued. In order to comply with the time constraints required by this section, the Secretary shall continuously monitor all persons appointed under this authority, record their previous places of employment and any NPL sites on which they were engaged at the time of their appointment under this authority, and provide this information to the Administrator on an ongoing basis.

The conferees direct the Secretary of Energy to submit a second report to Congress describing the use of the authority in fiscal year 1995. In this report, the Secretary should set forth the number of persons hired using the authority, their rates of pay, a general description of their duties and responsibilities including responsibilities associated with overseeing the DOE contractors, any problems associated with finding qualified individuals or with exercising the authority, and plans for use of the authority in fiscal years 1996 and 1997.

Use of funds for computer declassification system (sec. 3162)

The Senate bill contained a provision (sec. 3159) that would provide funds to assist the Department of Energy in supporting the Department's declassification productivity initiative.

The House amendment contained no similar provision.

The House recedes with a technical amendment that would specify that the funds are to support the initiation of a computer-assisted declassification process.

Safety and oversight and enforcement at defense nuclear facilities (sec. 3163)

The Senate bill contained a provision (sec. 3160) that would direct the Secretary of Energy to take appropriate actions to maintain the integrity and independence of the internal nuclear safety oversight function at the Department of Energy.

The House amendment contained no similar provision.

The House recedes with an amendment that would delete the findings in the Senate provision.

Budget justification documents

The conferees are dismayed with the poor quality of the Department of Energy's budget justification documents. In many instances, the information is inaccurate or incomplete. In other instances, the descriptive summaries are so general that it is difficult or impossible to identify the true nature of the program. There are also instances in which a number of projects are combined in the descriptive summary and a large total amount is displayed so that it is not possible to identify the funds requested for any of the individual projects. Finally, descriptions of projects are sometimes combined in ways that make it impossible to understand the project or where the project will be

carried out. The conferees believe that it is imperative that the Department improve the quality of the budget documents and are willing to work with the Department to achieve that goal.

Nevada Test Site

The DOE amended budget request contained \$338.9 million for operating expenses for weapons testing. This amount included \$180.0 million for infrastructure at the Nevada Test Site (NTS), \$6.5 million for Marshall Islands/dose reconstruction, and \$152.4 million for experimentation. The experimentation request was to support activities related to stockpile stewardship.

The conferees agree to transfer the funds requested for experimentation from the weapons testing program to the core research and development account. These funds are shown on the funding tables as stockpile stewardship. This transfer is consistent with the directions to DOE in the National Defense Authorization Act for Fiscal Year 1994. This funding supports experimentation conducted under the stockpile stewardship, and does not support underground nuclear tests. Of the \$152.4 million in the stockpile stewardship line, approximately \$39.0 million will be allocated to the NTS to allow it to carry out activities in support of the stockpile stewardship program. The balance will be allocated to the laboratories to support their activities in support of the stockpile stewardship program.

The conferees agree to provide \$165.0 million for operating expenses for infrastructure activities related to the NTS. This reduction is due to the availability of prior-year funds.

The conferees note that the NTS is a large and unique federal facility for which the conferees believe there are many possible alternative uses. Elsewhere in this act, the conferees recommend \$4.5 million for the Department of Defense to use the NTS as a demonstration site for the environmentally-sound demilitarization of large rocket motors and other high-energetic explosives.

The National Defense Authorization Act for Fiscal Years 1992 and 1993 directed the Secretary of Energy to study the solar energy potential of the NTS. The "Nevada Test Site Solar Feasibility Study" is now complete. DOE found the NTS to be "a significant solar resource that can, in turn, provide important employment, local economic development and even export potential if developed." The Nevada Solar Enterprise Zone Task Force was created to implement the study. According to the study, as little as seven percent of the land area of the NTS would be necessary to generate the power equivalent of 10 large coal or nuclear power plants. Thus, the bulk of the NTS would remain available for any of the potential uses that might be identified in the alternative use study required by section 3153 of this act. The conferees agree that the Department of Energy may use \$10.0 million from funds available for worker and community transition activities to begin to implement the work of the task force and the recommendations contained in the solar energy study.

Section 3153 of this act would require a study of other possible uses for and activities at the NTS. Alternative missions will enable NTS to maintain, at reduced cost, the infrastructure and personnel necessary to maintain a capability to resume testing, if necessary, in advance of a Comprehensive Test Ban Treaty (CTBT). Presumably, even under a CTBT, some level of readiness to test would be maintained at the NTS. Thus, DOE must focus on dual-use initiatives if this capability is to be maintained. The future of the NTS clearly lies in its potential for many and diverse uses, not just those focused on maintaining a nuclear weapons testing capability.

Funding for stockpile stewardship

The conferees are troubled that the Department of Energy did not request sufficient funds for fiscal year 1995 to support the stockpile stewardship plan developed by the Administration. This underfunding cannot continue without seriously undermining the Department's ability to fulfill its ongoing stewardship responsibilities. Therefore, the conferees direct the Department to request

funds for fiscal year 1996 that are consistent with the stockpile stewardship program plan developed by the Administration and that will reverse the loss of nuclear competence at the laboratories.

Technology development

The conferees urge the Department of Energy to ensure that the funds allocated for research and development activities in support of the environmental restoration and waste management program are actually spent on needed research. More needs to be done to ensure that the scarce environmental research and development funds are used first, for research and, second, for research that addresses a priority need of the Department.

The conferees are particularly pleased with the newly-created joint research and development efforts that the DOE and the Department of Defense have initiated. The conferees look forward to more coordination in research and development between the two agencies.

Because the defense budget is decreasing, the environmental restoration and waste management programs will come under increasing budgetary constraints. The conferees believe that many dollars could be saved through the research, development, and demonstration of pollution prevention strategies, new waste characterization and treatment technologies, and remediation methodologies. The conferees urge the Secretary to fund the research and development program consistent with the Department's stated goal of dedicating 10 percent of the environmental budget to research and development.

Fissile material disposition

Disposition of excess weapons-grade fissile materials will continue to be a major challenge to the Department of Energy for the foreseeable future. Although all of the materials must be stored in a safe and secure manner for many years, the disposition of excess plutonium presents the most significant challenge. The conferees are disappointed that the Department did not include in its budget request a request for funding to deal with the many issues associated with the storage and disposition of these materials. The conferees recommend \$50.0 million for fissile materials disposition.

The conferees urge DOE to begin assessing in earnest the broad range of technologies, including reactor, advanced reactor, and non-reactor technologies, potentially available for the disposition of plutonium. The assessments should focus on the safe, permanent disposition of surplus weapons material independent of the disposition of civilian plutonium. Each of the possible disposition options present significant challenges.

The conferees also expect the Secretary to use such funds as are available and required to identify the Department's near-term requirements for the storage of fissile materials until the nation has determined a final disposition strategy. The conferees recognize that in fiscal year 1995, the Secretary must also devote significant resources from the fissile materials disposition budget to prepare and issue the environmental impact statement (EIS) necessary for compliance with the National Environmental Policy Act. The conferees urge the Secretary to prepare the EIS in as cost-efficient a manner as possible.

Russia too faces a challenge, similar to that of the United States, in storing and ultimately reducing its excess weapons materials. The conferees believe that to the maximum extent practicable, DOE should work with its Russian counterparts to ensure that the Russian weapons-grade fissile materials are stored in a safe, secure, and accountable manner. Recent news reports about small quantities of weapons-grade plutonium, apparently from Russia, being available for sale in Germany are most troublesome. The conferees urge the Office of Fissile Materials Disposition to coordinate its activities with the DOE Office of Nonproliferation and National Security and other relevant offices and agencies in addressing areas of mutual concern with Russia.

The conferees note that the DOE weapons laboratories have established very successful and productive relationships with various Russian laboratories and urge DOE to expand on this success.

Material control and accounting

The conferees have consistently urged both the Department of Energy and the Department of Defense to develop an accurate accounting of all weapons-grade fissile and special nuclear materials in Russia and the other nations of the Commonwealth of Independent States (CIS). The conferees strongly believe that obtaining an accurate inventory of such materials in the CIS is a fundamental step in establishing an effective nonproliferation regime. The conferees recognize that a bilateral exchange of nuclear weapons stockpile data, including restricted data and formerly restricted data, between the United States and the nuclear states of the CIS will likely be necessary to establish such an accounting. The conferees agree to clarify and expand the authority of the President to provide such data in section 3155 of this act.

Elsewhere in this statement of the managers, the conferees direct the Department of Energy to work with Russia to explore options for excess weapons-grade fissile material disposition and to ensure that Russian weapons-grade fissile materials are stored in a safe, secure, and accountable manner. After discussions with DOE officials, the conferees understand that the Office of Nonproliferation and National Security will manage the Department's activities with Russia in these areas.

The conferees urge the Secretary to make available to the Office of Nonproliferation and National Security funds and resources required to ensure rapid progress in establishing a complete and accurate accounting of all weapons-grade fissile and special nuclear materials in the CIS. The conferees note that the DOE weapons laboratories have established very successful and productive relationships with various Russian laboratories and urge DOE to expand on this success. The conferees also encourage DOE to consider reprogramming actions, as appropriate, to support these efforts. The Office of Nonproliferation and National Security should coordinate its activities with the Department's Office of Fissile Materials Disposition, other DOE offices, the DOE laboratories, and relevant federal agencies

Finally, the conferees note that title XII of this act authorizes funds for the cooperative threat reduction program that could be used to support the control and accounting of fissile materials in the CIS. The conferees direct the Secretary of Energy to consult with the Secretaries of State and Defense to determine the most effective use of the funds provided in title XII for fiscal year 1995 and prior years to advance material control and accounting objectives.

Naval nuclear propulsion program

The U.S. naval nuclear propulsion program, a joint program of the Department of Energy and the Department of the Navy, has recently achieved a major milestone-nuclear-powered surface ships and submarines have just steamed their 100 millionth mile on nuclear power without a single nuclear accident or harm to the public or the environment. This is a remarkable achievement, and the conferees congratulate the men and women of the naval reactors program for their dedication and exemplary work.

LEGISLATIVE PROVISIONS NOT ADOPTED

General reduction in authorization of appropriations

The Senate bill contained a provision (sec. 3105) that would generally reduce the amount authorized to be appropriated for national security programs at the Department of Energy by \$220.0 million. This reduction was offset by the use of prior-year funds that were available because DOE

failed to submit the five-year budget plan required by section 3144 of the National Defense Authorization Act for Fiscal Years 1990 and 1991. Section 3139 of the National Defense Authorization Act for Fiscal Year 1994 prohibited the Department of Energy from obligating more than 95 percent of the funds authorized to be appropriated for fiscal year 1994 until the five-year plan was submitted. The plan was due with the President's budget request for fiscal year 1995 in January 1994.

The House amendment contained no similar provision.

The Senate recedes. The conferees agree that this general reduction is no longer necessary. On July 21, 1994, the Secretary of Energy transmitted the five-year budget plan for fiscal year 1995 and beyond.

Limitation on use of funds for special access programs

The Senate bill contained a provision (sec. 3135) that would prohibit 80 percent of the funds authorized to be appropriated to the Department of Energy for fiscal year 1995 from being obligated for special or limited access programs until the Secretary submitted to Congress the report required by section 93 of the Atomic Energy Act of 1954 (42 U.S.C. 2122a).

The House amendment contained a similar provision (sec. 3139) that would prevent obligation of any funds for special or limited access programs until the required report was submitted.

The conferees agree to delete both provisions because the Secretary of Energy has submitted the required report.

Solar energy activities at Nevada Test Site, Nevada

The Senate bill contained a provision (sec. 3141) that would authorize \$10.0 million for use at the Nevada Test Site for solar energy activities.

The House amendment contained no similar provision.

The House recedes.

Nuclear Weapons Council membership

The Senate bill contained a provision (sec. 3154) that would add an additional senior representative of the Department of Energy to the membership of the Nuclear Weapons Council.

The House amendment contained no similar provision.

The Senate recedes.

The Senate provision was intended to reinforce the role of the Under Secretary of Energy in ensuring a strong defense program at the Department of Energy. The Senate was concerned that the DOE nuclear weapons program has suffered from lack of attention and planning by senior Department managers. The Senate conferees hoped that the Under Secretary, by his senior position within the Department and with expanded authority, would become an advocate of the defense programs within DOE. The Senate conferees believed that his membership on the Nuclear Weapons Council would serve to both reinforce the role of the defense programs within the Department of Energy and enable greater participation with the Department of Energy and enable greater participation with the Department of Defense and the Joint Chiefs of Staff in maintaining a safe and strong nuclear deterrent.

The Secretary of Energy has recently reaffirmed her commitment to the defense programs at the Department of Energy and to the overall role of the Department in matters relating to national security, such as non-proliferation and fissile materials control and disposition. The conferees look forward to working with the Secretary in ensuring that the Department has a robust defense program in a reduced budget environment. The conferees believe that, while more difficult to achieve, maintaining defense competencies using fewer resources than were available in the past is necessary and possible.

Conditions on contracts between the Federal Government and certain lessees and transferees of Department of Energy property

The Senate bill contained a provision (sec. 3161) that would prevent the Department of Energy management and operating contractors from taking unfair advantage of commercial information gained through their relationships with subcontractors when the management and operating contractors are engaging in a commercial venture utilizing former DOE facilities.

The House amendment contained no similar provision.

The Senate recedes.

The Senate provision originated in the contractual relationship between a DOE management and operating contractor (M&O) at a DOE facility and one of its subcontractors. Because the M&O contractor performed audit, inspection, and quality control functions for DOE on the subcontractor's products, the M&O contractor was given access to the subcontractor's plant and to proprietary and technical data, trade secrets, and commercial and financial information that it would not have had except for its status as an M&O contractor.

DOE is closing the particular facility because it no longer needs it. DOE anticipates that when it stops using the facility, it will be leased, pursuant to sections 3154 and 3155 of the National Defense Authorization Act for Fiscal Year 1994, to the local community, which will then sublet the facility to the M&O contractor. The former M&O contractor proposes to manufacture the same type of product as the subcontractor and compete with the subcontractor. The M&O would lease and use equipment at the former DOE facility that was used in developing the manufacturing process for the product made by the subcontractor. The product is manufactured at facilities owned by the subcontractor.

The Senate conferees were concerned that the former M&O contractor might unfairly use information acquired from the subcontractor to compete against the subcontractor. The Senate provision would permit federal agencies to require former M&O contractors who propose or bid on federal agency procurement to certify that they have not used, in the preparation of their proposal or bid, any information or data of the federal government or another entity that have not been released or otherwise made generally available for the preparation of bids or proposals.

Based on the representations made to the conferees that the Secretary of Energy already has the necessary statutory and regulatory authority to protect appropriately the rights and interests of subcontractors, the conferees agree that the Senate provision is no longer necessary. The conferees rely equally on the assurance made to the conferees by the Secretary of Energy that DOE will continue to work with the M&O contractor and the subcontractor to develop mutually acceptable and appropriate protective mechanisms. The conferees believe that the Secretary should secure an agreement between the subcontractor and the M&O contractor, substantially equal in force to confidentiality agreements commonly used elsewhere in industry, that the contractor and each of the managers and employees of the contractor will not use, in any manner, proprietary information, trade secrets, or other cost, commercial, or financial information acquired from the subcontractor solely as a result of the relationship between the M&O contractor and the subcontractor. These agreements should also specifically prevent the use of such information in the preparation, submission, or negotiation of a bid or offer to any federal agency for similar products. The conferees believe that

the agreement should endure for a term sufficiently long to protect the subcontractor. The conferees direct the Secretary to work with the M&O contractor and the subcontractor to reach the agreement before closure of the DOE facility.

The conferees will follow the situation closely. The conferees remain concerned about the potential for unfair use of government and third-party information that was obtained by a former M&O contractor solely by virtue of that special status, and will continue to evaluate the need for legislation. The conferees believe that the principles of procurement integrity and fairness are generally adequate to prevent the M&O contractor from gaining unfair competitive advantage when bidding to supply similar or related products to DOE or to any other federal agency.

The conferees direct the Secretary to report to the congressional defense committees by January 1, 1995, on the resolution of this issue.

Limitation on use of funds for new construction projects

The House amendment contained a provision (sec. 3138) that would prohibit the Secretary of Energy from obligating or expending funds appropriated for a construction project for which funds were requested for the first time in fiscal year 1995, until the Secretary has completed a conceptual design for that project.

The Senate bill contained no similar provision.

The House recedes. Of the two projects to which this provision would have applied, the conferees have indicated elsewhere within this statement of the managers that the Department may not expend funds authorized to be appropriated on one of them until the Secretary has completed the conceptual design, and the conferees did not agree to authorize funds for the other project.

Prohibition on prefinancing

The House amendment contained a provision (sec. 3140) that would prohibit the Secretary of Energy from budgeting funds to retain Department personnel in the event that Congress allows a lapse in funding authority between fiscal years. The Department refers to this practice as "prefinancing."

The Senate bill contained no similar provision.

The House recedes.

The conferees note, however, that while all government agencies can retain essential personnel in the event of a lapse in funding authority, only the Department of Energy actually budgets for such a contingency. The conferees agree that the merits of prefinancing need to be re-examined, and that the Armed Services Committees of the Senate and House of Representatives will address this issue in hearings next year.

The conferees are further concerned that there does not appear to be a consistent rationale or methodology for budgeting for prefinancing. Prefinancing should not be a "catch-all" category for otherwise unexplainable uncoded obligations. The conferees urge the Department to review its prefinancing policy while preparing the fiscal year 1996 budget request.

TITLE XXXII-DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Authorization (sec. 3201)

The Senate bill contained a provision (sec. 3201) that would provide \$17.933 million for the Defense Nuclear Facilities Safety Board.

The House amendment contained a provision (sec. 3201) that would provide \$18.0 million for the Board.

The House recesses.

TITLE XXXIII-NATIONAL DEFENSE STOCKPILE

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Authorized uses of stockpile funds (sec. 3301)

The Senate bill contained a provision (sec. 3302) that would authorize the stockpile manager to obligate \$54.2 million from the National Defense Stockpile Transaction Fund during fiscal year 1995 for the authorized uses of funds under section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act.

The House amendment contained no similar provision.

The House recesses.

Rotation of materials to prevent technological obsolescence (sec. 3302)

The Senate bill contained a provision (sec. 3304) that would amend section 6(a)(4) of the Stock Piling Act to allow for modernization and rotation of materials in the stockpile to prevent technological obsolescence.

The House amendment contained no similar provision.

The House recesses.

Extension of limitation on authority to dispose of chromium ferro and manganese ferro (sec. 3303)

The House amendment contained a provision (sec. 3301) that would prohibit the disposal of chromium ferro and manganese ferro from the National Defense Stockpile until the President certifies to Congress that there is a reliable domestic source for the adequate and timely production of these materials, and such source can be called upon in times of a national emergency or a significant mobilization of the armed forces.

The Senate bill contained no similar provision.

The Senate recesses with an amendment that would delay the current authority to dispose of chromium ferro and manganese ferro from the stockpile until October 1, 1995.

Limitations on authority to dispose of zinc (sec. 3304)

The House amendment contained a provision (sec. 3304) that would prohibit the disposal of zinc from the National Defense Stockpile unless the President certifies to Congress that any such proposal would not cause any undue disruption of the usual markets of producers, processors, and consumers of zinc.

The Senate bill contained no similar provision.

The Senate recesses with an amendment that would prohibit the disposal of zinc from the National Defense Stockpile to anyone outside the federal government prior to April 1, 1995. In order for the Stockpile manager to dispose of zinc after April 1, 1995, the Stockpile manager would have to submit a revised Annual Materials Plan for fiscal year 1995 to the Congress not later than February 15, 1995 that describes any such proposed disposal. This revised Annual Materials Plan would have to include the views of the Market Impact Committee regarding the market impact of any such disposal.

Limitations on the disposal of chromite and manganese ores (sec. 3305)

The House amendment contained a provision (sec. 3303) that would require the Stockpile manager to give a right of first refusal to domestic ferroalloy upgraders on any disposals of chromite and manganese ores of metallurgical grade from the stockpile during fiscal year 1995.

The Senate bill contained no similar provision.

The Senate recedes.

Report on domestic production of high purity electrolytic chromium metal (sec. 3306)

The House amendment contained a provision (sec. 3305) that would require the conversion of low carbon ferro chromium held in the National Defense Stockpile into high purity electrolytic chromium metal.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to enter into an agreement with the President of the National Academy of Sciences under which the Academy would prepare a report regarding the production of high purity electrolytic chromium metal in the United States.

LEGISLATIVE PROVISIONS NOT ADOPTED

Transfer from National Defense Stockpile Transaction Fund

The Senate bill contained a provision (sec. 305) that would authorize, to the extent provided in appropriations acts, the transfer of not more than \$250.0 million from the National Defense Stockpile Transaction Fund to the operation and maintenance accounts for fiscal year 1995. This figure represents an increase of \$100.0 million above the amount proposed for transfer in the budget request.

The House amendment contained no similar provision.

The Senate recedes. The conferees conclude that authorizing the transfer of funds from the National Defense Stockpile Transaction Fund in anticipation of sales of materials could create pressure on the Stockpile manager to sell excess materials in order to generate revenues for such transfers. The conferees agree that the decision to sell excess materials from the stockpile should be based on market and stockpile management considerations and not on the need to generate revenues.

Disposal of obsolete and excess materials contained in the National Defense Stockpile

The Senate bill contained a provision (sec. 3301) that would authorize disposal of two materials (aluminum and tungsten) from the National Defense Stockpile that were determined to be excess to the stockpile requirements recommended by the Department of Defense in the 1992 Report on National Defense Stockpile Requirements.

The House amendment contained no similar provision.

The Senate recedes.

Rejection of change in stockpiling principles

The House amendment contained a provision (sec. 3302) that would repeal sections 3311 and 3314 of the National Defense Authorization Act for Fiscal Year 1994 concerning stockpiling principles.

The Senate bill contained no similar provision.

The House recedes. The conferees expect the next stockpile requirements report, to be submitted to the Congress by January 15, 1995 under section 14 of the Stock Piling Act, to contain a complete and thorough discussion of the stockpiling principles proposed by the Department of

Defense, and to cover the full range of conflict scenarios on which the stockpile requirements are based. In addition, the conferees request that the next stockpile requirements report also contain an analysis of the capabilities of the U.S. domestic sources of strategic and critical materials and a current analysis of the U.S. dependence on, and reliability of, foreign sources for strategic and critical materials.

Repeal of advisory committee requirement

The Senate bill contained a provision (sec. 3303) that would repeal the requirement to establish an Advisory Committee Regarding Operation and Modernization of the Stockpile contained in section 3306 of the National Defense Authorization Act for Fiscal Year 1993.

The House amendment contained no similar provision.

The Senate recedes.

TITLE XXXIV-CIVIL DEFENSE

Authorization of appropriations (sec. 3401)

The budget request contained \$129.658 million to carry out the Federal Civil Defense Act of 1950.

The Senate bill contained a provision (sec. 3401) that would authorize the requested amount.

The House amendment contained a provision (sec. 3401) that would authorize Relief and Emergency Assistance Act.

The Senate recedes.

Restatement of federal civil defense authorities in Robert T. Stafford Disaster Relief and Emergency Assistance Act (secs. 3411 and 3412)

The House amendment contained a provision (sec. 3402) that would repeal the Civil Defense Act of 1950 (section 2251 et seq. of title 50 App., United States Code) and place its authorities into the Robert T. Stafford Disaster Relief and Emergency Assistance Act (section 5121 et seq. of title 42, United States Code).

The Senate bill contained no similar provision.

The Senate recedes with a technical amendment.

The conferees understand that the Office of Management and Budget will transfer the civil defense program (i.e., the emergency preparedness program) and other portions of the Federal Emergency Management Agency budget now included in the 050 budget function to a domestic discretionary budget account because these programs no longer have a defense emphasis. This transfer will be incorporated into the President's fiscal year 1996 budget request.

TITLE XXXV-NAVAL PETROLEUM RESERVES

Authorization of appropriations (sec. 3501)

The House amendment contained a provision (sec. 3501) that would authorize funds for activities at the Naval Petroleum Reserves for fiscal year 1995.

The Senate bill contained no similar provision.

The Senate recedes.

Price requirement on sale of certain petroleum during fiscal year 1995 (sec. 3502)

The House amendment contained a provision (sec. 3502) that would establish pricing for sale of products from the Naval Petroleum Reserve.

The Senate bill contained no similar provision.

The Senate recedes with a technical amendment that would clarify that 10 U.S.C. 7430(b)(2)(B), the minimum price for Naval Petroleum Reserves 1, 2, and 3 petroleum sold during fiscal year 1995, does not apply. The only statutory minimum price in fiscal year 1995 will be 90 percent of the local market price of comparable petroleum prescribed in section 7430(b)(2)(A).

Extension of existing contract at Naval Petroleum Reserves (sec. 3503)

The conferees agree to a provision that would allow the Department of Energy to extend the current operating contract at the Naval Petroleum Reserve Number 1 at Elk Hills, California for an additional two years. The conferees are very concerned about the future of this facility, the Department of Energy's plans for management of the facility, and opportunities for reducing its operating costs.

In the statement of the managers accompanying the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103-357), the conferees requested a report by May 1, 1994, that would analyze a variety of management options for Elk Hills. The Department of Energy only submitted the requested report on August 2, 1994. In the meantime, the Department has also embarked on an effort to substantially change the management of the Elk Hills facility without analyzing other possible options and without considering the possibility of competition.

The conferees believe there are several potential management options that would reduce costs and achieve maximum value and benefit to the government. While the conferees do not recommend a particular option for the operation and management of the Elk Hills facility, they strongly believe that the Department should fully analyze all possible options before making a change in current operations. The conferees also strongly believe that any change in the operation or management of the Elk Hills facility should be accomplished using competitive procedures, to the extent practical.

This provision would allow the Department of Energy additional time to review fully all possible options before entering into any new management contract for the Elk Hills facility. The Armed Services Committees of the Senate and House of Representatives plan to hold hearings in 1995 on the DOE management options under consideration and the recommendations of the National Academy of Public Administration to ensure that the best interests of the government are fully protected.

TITLE XXXVI-PANAMA CANAL COMMISSION

Panama Canal Commission (secs. 3601-3605)

The Senate bill contained provisions (secs. 3501-3505) that would authorize expenditures from the Panama Canal Revolving Fund for the operations and maintenance of the Panama Canal. They would also authorize the Panama Canal Commission to reimburse eligible employees for the cost of dependent schooling at facilities in the United States in the same manner as is now authorized for the cost of dependent students attending non-Department of Defense dependent schools in Panama. Finally, the provisions would authorize Panamanian U.S. government employees, who are

eligible under current law for special immigration benefits, to apply for immigration prior to the effective date of their retirement.

The House amendment contained no similar provisions. A separate House bill contained provisions essentially identical to those in the Senate bill.

The House recesses. The Panama Canal •operates on a self-sustaining basis, utilizing tolls and revenues paid by canal users. Appropriated funds for not utilized for the operation and maintenance of the canal.

From the Committee on Armed Services, for consideration of the entire Senate bill and the entire House amendment, and modifications committed to conference.

Ronald V. Dellums,
G.V. Montgomery,
Pat Schroeder,
Earl Hutto,
Ike Skelton,
Dave McCurdy,
Marilyn Lloyd,
Norman Sisisky,
John M. Spratt,
Solomon P. Ortiz,
H. Martin Lancaster,
Lane Evans,
James H. Bilbray,
John S. Tanner,
Glen Browder,
Martin T. Meehan,
Floyd Spence,
Duncan Hunter,
John R. Kasich,
Herbert H. Bateman,
Curt Weldon,
Jon Kyl,
Ronald K. Machtley,
Jim Saxton,

As additional conferees from the Labor Committee on Education and Labor, for consideration of sections 337, 346-47, 643, 924, 1051, and 1082 of the Senate bill and sections 351-54, 1133, 1136, 1138, and 1151 of the House amendment, and modifications committed to conference:

William D. Ford,
William L. Clay,
Pat Williams,
William F. Goodling,
Steve Gunderson,

As additional conferees from the Committee on Energy and Commerce, for consideration of sections 142, 324, 708, 2821(e)(3), 2849, 3151, 3155, 3157-58, 3160, and 3201 of the Senate bill and sections 1055, 3201, and 3502 of the House amendment, and modifications committed to conference:

John D. Dingell,
Phil Sharp,
Al Swift,
Carlos J. Moorhead,
Mike Bilirakis,

Provided, Mr. Waxman is appointed in lieu of Mr. Swift and Mr. Bliley is appointed in lieu of Mr. Bilirakis solely for the consideration of section 708 of the Senate bill:

Henry A. Waxman,
Tom Bliley,

As additional conferees from the Committee on Foreign Affairs, for consideration of sections 221-22, 225, 241, 251, 354, 823, 1012, 1013(b), 1014, 1015(a), 1016-18, 1021(a), 1021(b), 1022-23, 1024(c), 1031-32, 1041, 1065, 1070, 1074, 1078-79, 1088, 1092, and 1097 of the Senate bill and sections 1011(a), 1022-25, 1038, 1041, 1043, 1046-49, 1052, 1054, 1058-60, 1201-14, and 1401-04 of the House amendment, and modifications committed to conference:

Lee H. Hamilton,
Sam Gejdenson,
Tom Lantos,
Bill Goodling,

As additional conferees from the Committee on Government Operations, for consideration of sections 824, 2812(c), 2827, and 3161 of the Senate bill and modifications committed to conference:

John Conyers, Jr.,
E. Towns,
Mike Synar,
Bill Clinger,

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of sections 357, 601, 654, 2206, 2825, 3134, and 3501-05 of the Senate bill and sections 522-23, 527, 531, 601-02, 1137, and 3134 of the House amendment, and modifications committed to conference:

Gerry E. Studds,
William J. Hughes,
Billy Tauzin,

As additional conferees from the Committee on Natural Resources, for consideration of sections 2853 of the House amendments, and modifications committed to conference:

George Miller,
Bruce F. Vento,
Neil Abercrombie,

As additional conferees from the Committee on Post Office and Civil Service, for consideration of sections 331-334, 346, 636, 901, 1080, 1087, 1090, and 3158 of the Senate bill and sections 165, 351, 375, 1031, and 2816 of the House amendments, and modifications committed to conference:

William Clay,
Frank McCloskey,
Eleanor H. Norton,
John Myers,
Constance A. Morella,

As additional conferees from the Committee on Public Works and Transportation, for consideration of sections 324, 1086, and 2827 of the Senate bill and section 3402 of the House amendment, and modifications committed to conference:

Norman Y. Mineta,
Douglas Applegate,
James A. Traficant, Jr.,
Bud Shuster,

Bill Clinger,

Provided that Mr. Duncan is appointed in lieu of Mr. Clinger solely for the consideration of section 2827 of the Senate bill:

John J. Duncan, Jr.,

As additional conferees from the Committee on Science, Space, and Technology, for consideration of sections 232-33, 243, 249, and 3141 of the Senate bill and sections 211(a), 211(b), 216(a), 216(b), 216(c), 216(e), 217-18, 223(a), 1112-15, and 3141 of the House amendment, and modifications committed to conference:

George E. Brown, Jr.,
Tim Valentine,
Bobby Scott,

As additional conferees from the Committee on Veterans' Affairs, for consideration of section 641 of the Senate bill and modifications committed to conference:

G.V. Montgomery,
Jim Slattery,
Douglas Applegate,
Bob Stump,
Mike Bilirakis,
Managers on the Part of the House.
Sam Nunn,
Jim Exon,
Carl Levin,
Ted Kennedy,
Jeff Bingaman,
John Glenn,
Richard Shelby,
Robert C. Byrd,
Bob Graham,
Chuck Robb,
Joseph I. Lieberman,
Richard H. Bryan,
Strom Thurmond,
John Warner,
William S. Cohen,
Trent Lott,
Dan Coats,
Bob Smith,
Lauch Faircloth,
Kay Bailey Hutchison,
Managers on the Part of the Senate.